



Cayman Islands
Government

2023

Portfolio of the Civil Service **Annual Report**

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FOREWORD BY

THE DEPUTY GOVERNOR AND HEAD OF THE CIVIL SERVICE



Hon. Franz Manderson, MBE, JP - Deputy Governor and Head of the Civil Service

In 2023, the Portfolio of the Civil Service (PoCS) continued leading and supporting strands of work and bespoke programmes to modernise the Civil Service and move the needle closer to becoming a World-Class organisation.

To ensure seamless continuation of the Civil Service's 5-Year Strategic Plan, which was implemented in 2018 and extended through to 2023, the Management Support Unit (MSU) was charged with undertaking a Civil Service Strategy Refresh. The refreshed strategy maintains the five original areas of strategic focus, but also introduces a sixth pillar which focuses on accountability. The 3-Year Plan, which will be launched in April 2024, aims to embed past successes, sharpens focus on priority areas of public sector reform, and provides greater clarity regarding the relationship between the Civil Service's Strategic Plan and Government's priorities.

A world-class result for the entire country that was delivered in part through the diligent work of the Commission Secretariat's investigative team was the removal of the Cayman Islands from the Financial Action Task Force's 'grey list'. The achievement of this remarkable outcome was aided by the provision of evidence, on behalf of the Anti-Corruption Commission, demonstrating the jurisdiction's investigations and prosecutions of money laundering.

For the seventh consecutive year, PoCS conducted the annual Employee Engagement Survey (EES) which yielded responses from 3,756, or 83% of all civil servants. Notably, this was the highest participation rate recorded since the survey was launched in 2017. As per the 2023 results, the "Engagement Index", which is a measure of the average level of engagement across all Civil Service entities, held steady at 73%. Gains were realised in seven survey categories, namely "My Work", "Organisational Objectives and Purpose", "My Team", "Leadership and Managing Change", "Resources and Workload", "Inclusion and Fair Treatment" and "Learning and Development", which each experienced increases between 1 – 3%. "I feel proud to be a civil servant" achieved a high score of 88%, which is a percentage that makes me very proud.

Also in 2023, PoCS continued to make lives better by funding the participation of three persons in the Second Chances Programme (SCP), which is a programme designed to provide ex-offenders, who meet certain criteria, access to employment opportunities within the Civil Service. Two participants were paired with jobs in the Department of Planning and the third joined the Department of Agriculture. The addition of the three SCP participants in 2023 brought the total number of SCP candidates who have been successfully matched to jobs in the Civil Service to 14. Another talent management programme within the Cayman Islands Government (CIG) is the Emerging Talent Programme (ETP), which provides opportunities for persons to gain the practical experience necessary for permanent appointment, as well as facilitates talent mobility within the Civil Service. Under the ETP, three Caymanians were recruited or seconded to gain experience in their respective fields, with two of the participants being confirmed in post as at January 1, 2024.

Throughout the year, the Civil Service College (CSC) continued to assist with upskilling employees, with over 100 civil servants achieving internationally recognised City and Guilds ILM qualifications in leadership and management, from Level 2 to Level 7. Additionally, civil servants completed 7,600+ individual LinkedIn Learning courses, reflecting over 8,000 hours of online learning. The learning and development initiatives undertaken by the CSC continued to make a positive impact across the Civil Service, as confirmed by a 3% increase in the “Learning and Development” (L&D) category of the CIG-wide EES. 2023 was the third consecutive year in which the L&D score increased by 3%, evidencing the reach and effectiveness of CSC initiatives and programmes in the last three years.

During the month of April, the Deputy Governor’s 5K Challenge was held on all three Islands, drawing high numbers of runners, joggers and walkers of all ages. The 5K Challenge, which raises money through a combination of corporate sponsorship pledges and registration fees, raised approximately \$82.5K, which was shared among three charities / non-profits, namely the Cayman Islands Red Cross, LOUD Silent Voices, and United Against Bullying Foundation.

In my own office, in addition to business as usual activities, my team developed and issued a Governance and Management Circular entitled “CIG Guidance - Third Party Risks” and facilitated two in person-awareness sessions for civil servants. We also delivered the pilot implementation of the Guidance on Remuneration of Members of Public Bodies in the Cayman Islands, which is intended to promote an equitable and reasonable system of remuneration, promote consistency of decision-making, and enhance transparency in public spending.

To continue to build competency in the areas of business case development and change management, the Strategic Reforms Implementation Unit (SRIU) facilitated another successful year of the SRIU Professional Certification Programme, with 62 civil servants earning a combined total of 103 certifications in the areas of Business Case Development, Project Management, and Change Management. Senior leaders also completed Master Classes in project leadership, benefits realisation and risk management.

As 2023 proved, the Civil Service is more than capable of producing remarkable results. I have no doubt that our 5-Year Strategic Plan played a significant role in getting the Civil Service to the high levels of service delivery that we are seeing today. I am confident that our refreshed strategy will take us further along on our journey to World-Class, and I sincerely look forward to celebrating every Civil Service win along the way.

Franz Manderson

Franz Manderson, MBE, JP

Deputy Governor & Head of the Civil Service

FOREWORD BY

THE CHIEF OFFICER OF THE PORTFOLIO OF THE CIVIL SERVICE



Gloria McField-Nixon, Cert. Hon., JP – Chief Officer, Portfolio of the Civil Service

PoCS embarked on 2023 with a clear vision for delivery of human resource (HR) solutions, public sector reforms and the promotion of good governance, all with the aim of moving the Civil Service closer to its vision of becoming world-class.

During 2023, PoCS embarked on the second year of its multi-phased project to implement the new HR Management System, my-VISTA, for the Civil Service. A range of analytics were delivered for the HR profession, enabling them to better manage employee data and HR related expenditure. Improvements were also achieved by

transitioning employee medical eligibility management to the new system, which provided employees with the ability to view, in real time, their medical dependents. This change resulted in a reduction in the number of eligibility queries and better facilitated dependent management. Additionally, extensive work was undertaken to prepare for the launch of the payroll module in 2024, which is the single largest module in the my-VISTA system. Working collaboratively with finance leaders, Heads of Department, and HR leaders, opportunities were seized to improve business processes in parallel with upgrading CIG's HR system capabilities. As part of the preparatory work, our Finance colleagues adopted electronic payments for CIG monthly payrolls, and HR leaders migrated almost all employees onto monthly payrolls, rapidly moving towards the elimination of biweekly pay activities.

Also during the year, PoCS' shared services team worked closely to support Her Excellency the Governor, Jane Owen, and the newly established Police Service Commission, by providing assistance with recruitment activities for the ranks of Superintendent, Chief Superintendent and Commissioner of Police at the Royal Cayman Islands Police Service.

In March 2023, PoCS's Policy Team undertook a major project to review and enhance existing maternity and paternity leave benefits ('parental leave'). This work aimed to position the Civil Service as an employer of choice offering family-leave packages which are highly competitive and supportive of our workforce, with approximately 70% of our workforce being comprised of Caymanians. It is hoped that our leadership in this area will serve as a catalyst for other workplaces generating support for local families. The project, which is due to be completed in the first quarter of 2024, will culminate in changes to the Personnel Regulations, increasing parental leave entitlements, which will ultimately afford new civil service parents additional time and money to be at home establishing strong bonds with their infants.

In the area of pay and rewards, PoCS facilitated the payment of a one-off \$1,500 honorarium, which was paid to all civil servants in December 2023. In addition, PoCS implemented on behalf of the Deputy Governor, a one-off performance-based reward of one additional leave day for high performing Civil Servants, which was awarded to 2,885 civil servants who received a score of '3' or higher on their annual performance assessments. Additionally, targeted pay guidance was provided to one key job family, to help stem issues of attraction and retention of talent.

A significant achievement of the Office of Educations Standards (OES) during 2023 was the development and implementation of a bespoke Early Childhood Inspection Framework aptly titled “First Steps to Success: Nurturing Environments and Thriving Children”. The creation of this framework was accomplished through partnership with an international early years consultant and by securing cross-sectoral support from key local groups and Government entities. To ensure success, a series of familiarisation sessions were offered to school leaders and staff to ensure all stakeholders had a comprehensive understanding of the framework before its integration into the inspection process. Over 110 educators attended.

To strengthen the ongoing promotion and accessibility of the Historical Collections, the Cayman Islands National Archive (CINA) expanded their Oral History and outreach programmes through the launch of video recordings of Oral History interviews, to supplement audio recordings. Highlights included an exit interview with the previous Governor, Martyn Roper. CINA also developed and produced 49 Facebook posts showcasing the Oral History and outreach programmes, and spotlighting various types of records forming the Historical Collections, in concert with celebrating historically significant persons, organisations, anniversaries and events.

Further strengthening good governance, the Internal Audit Service (IAS) established a new Audit Charter, and refreshed its audit methodology and reporting template. Importantly, to aid professional development and advancement within the organisation, the IAS developed career frameworks for all roles within IAS.

Our colleagues at the Passport and Corporate Services Office (PCSO) recorded major milestones in 2023, including the launch of the Legalisation and Governor’s Special Marriage License electronic system, which went live in February 2023, eliminating manual workflows. The PCSO also introduced the online Verification of Apostilles in August, which facilitates the verification of Apostilles around the world. This brings the Cayman Islands in line with other countries who are members of the Hague 1961 Apostille Convention.

As Chief Officer of this diverse organisation, I feel immensely proud of the men and women across this Portfolio who lend their immense skills to Make Lives Better for our internal clients, within the Civil Service, who in turn Make Lives Better for people and residents of the Cayman Islands. These respective teams delivered some truly outstanding results in 2023, all of which enhanced the experience of customers, both internal and external. The work of the PoCS has introduced efficiencies, modernised our HR system, commenced the process of future-proofing the Civil Service and enhanced our attractiveness as an employer. This past year brought us closer to achieving our vision to be world-class and, as we look to the year ahead, PoCS will continue to build upon the solid foundation it has laid, so as to continue to make the lives of those we serve better.

Gloria McField-Nixon

Gloria McField-Nixon, Cert. Hon., JP
Chief Officer
Portfolio of the Civil Service

Section 1.0

Civil Service Overview



1.1 THE PORTFOLIO'S IMPACT ACROSS THE CIVIL SERVICE

Sections 24 and 25 of the Public Service Management Act (PSMA) prescribe the duties and powers of the Portfolio of the Civil Service (PoCS). The role of PoCS is to provide policy advice and support to Her Excellency the Governor and the Deputy Governor in overseeing the operation of the Civil Service. The Portfolio also provides strategic HR advice and operational HR functions to Public Authorities. PoCS has a central role in the diagnosis, design, implementation and evaluation of public sector reforms both within the Cayman Islands and, on occasion, in other overseas territories.

As part of its responsibilities, the Portfolio monitors employee engagement to assess whether the conditions within the Civil Service are conducive to employees giving their best efforts. In 2023, the seventh annual employee engagement survey was conducted and yielded responses from 3,756 civil servants (83%).

Figure 1. Cayman Islands Civil Service 2023 Employee Engagement Results

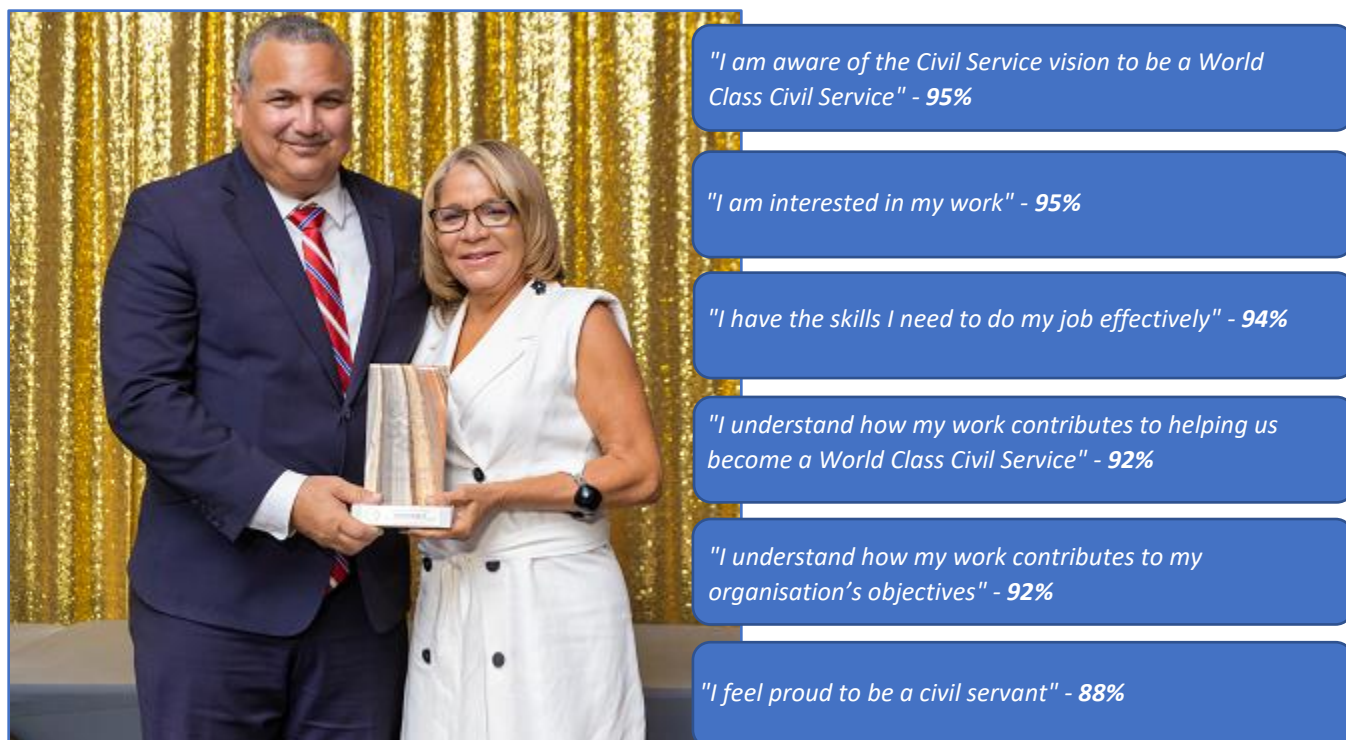


The “Engagement Index”, which is a measure of the average level of engagement across all Civil Service entities, held steady at 73%. Gains were realised in seven survey categories, namely “My Work”, “Organisational Objectives and Purpose”, “My Team”, “Learning and Development”, “Inclusion and Fair Treatment”, “Resources and Workload” and “Leadership and Managing Change”, which each experienced increases between 1 – 3%.

Based on the 2023 survey results, “My Manager” maintained a score of 68%, while “Pay and Benefits” saw a 3% decrease compared to 2022.

While “Pay and Rewards” still remains the lowest scoring survey category, with a score of 38%, this score has improved since the inception of the survey in 2017, when an initial score of 29% was recorded in this category. The steady increase over the years can be credited to a number of pay and rewards initiatives that have been implemented by PoCS, the most recent of which occurred in December 2023 and involved the payment of a one-off \$1,500 honorarium to all civil servants.

The individual survey questions / statements that yielded the highest scores were:



The Deputy Governor, Hon. Franz Manderson, presents the 2022 Employee of the Year recipient, Ms. Sarah Orrett, with her Caymanite trophy during the June 1st 2023 Deputy Governor's Awards Employee of the Year Ceremony.

Deputy Governor's Awards Programme – Employee of the Year

On 1 June 2023, the Employee of the Year Ceremony, hosted by PoCS, was held to celebrate the contributions of 12 exceptional civil servants. Amidst a large gathering of elected leaders, senior government officials, fellow civil servants and invited guests, Ms. Sarah Orrett was selected as the CIG's 2022 Employee of the Year from an impressive group of 12 Employee of the Month (EOM) finalists, winning under the category “Delivering an Outstanding Customer Experience”.

Senior Leadership Events

Senior Leadership Events (SLEs) are designed to engage and inform leaders across the Civil Service. The events are meant to provide access to topical events and world-class speakers who will inspire and challenge CIG's leaders.

The 2023 SLE was held in May and centered around the theme "Lead | Grow | Engage!". Over 250 of CIG's most senior leaders attended to learn, network and benefit from the actionable insights provided by the line-up of speakers.



Keynote speaker Louie Gravance inspires in true Disney fashion.

The event kicked off with a look at the 2022 engagement survey results, inclusive of messages from the Deputy Governor and former Governor, Mr. Martyn Roper, encouraging and challenging senior leaders to take proactive steps to make a difference.

Participants were later inspired by keynote speaker Mike Abrashoff's riveting story of his leadership journey as a young naval commander. In his captivating speech, Mr. Abrashoff explained that by replacing command and control leadership with commitment and cohesion, he was able to turn around the performance of the worst performing ship in the US Navy, making it the best performing ship. The lesson was clear: Leadership matters and culture is everything.



Keynote speaker Mike Abrashoff commands the room as he speaks to CIG leaders about the importance of leadership and culture.

During an intimate panel discussion, led by CSC Deputy Director Monique Malcolm, the theme of staff engagement continued. Specifically, the discussion focused on the fact that the actions to engage staff are not complicated; however, they do require genuine care, ongoing conversations, and ensuring that every team member knows what deliverables and standards are expected of them.

The final keynote address was delivered by former Disney trainer Louie Gravance, who provided an entertaining spin on what it means to make service your “superpower”. As part of his address, Mr. Gravance translated this concept into an approach that could be mirrored and applied to every government department if leaders engage, develop and support their staff.

Learning, Talent Development and Employee Wellness

During 2023, the Civil Service College facilitated and expanded learning and development (L&D) opportunities across the Civil Service. All L&D offerings continued to support the CIG’s Strategic Plan, specifically the “Leadership” and “Talent Development” pillars.



Civil servants took advantage of the L&D opportunities made available to them in 2023, most notably achieving the following:



Detailed information on the full range of 2023 learning and development offerings and outcomes can be found in section 2.2 of this Annual Report.

In addition to the formal learning and development opportunities offered by the Civil Service College, PoCS supported the CIG's Wellness Committee (WC) in offering various holistic wellbeing initiatives to civil servants and their families throughout the year. Included in the wellness offerings were heart health sessions, psychological and mental health workshops, sessions on nutrition, as well as financial wellness programs. Collaborations with external entities, such as Health City, the Health Services Authority and the Breast Cancer Foundation enriched the initiatives offered to civil servants. Additionally, to help promote self-care, wellness providers were invited to the Government Administration Building to offer services such as chair massages, offering pricing options that made the services very affordable and accessible to civil servants in the building. Additional wellness offerings and initiatives that were introduced or continued in 2023 included:



Virtual Wellness
Webinars (40+
sessions
offered)

Senior Health
& Retirement
Planning
Workshops

Inaugural
Health Fair

GAB Yin Yoga –
De-stressing
and promotion
of mindfulness

GAB Walk /
Run Club

The inaugural health fair, held in December at the Government Administration Building, was free to all civil servants and included access to the following health services:

- Flu shots
- Blood glucose, cholesterol and blood pressure testing
- PSA (prostate specific antigen) testing
- Medication and supplement consultations
- Diabetes consultations



Additionally, a variety of vendors, including fitness centres, mental health care providers, and nutritionists were on hand to speak with participants about healthy living options. Based on the results of the 2023 Employee Engagement Survey, a positive correlation between the CIG's wellness initiatives and the improved health of civil servants was recognised, as the scores for mental, emotional and physical wellbeing increased by 14%, 13% and 9% respectively, compared to 2022.

Community Outreach Programmes

PoCS hosted several "Dress for a Cause" days in support of local charities / causes, such as Jasmine (hospice care), Meals on Wheels, the Cayman Cancer Society and the "Stood Up" Against Bullying campaign, among other worthy causes. On each occasion, civil servants supported the causes by assisting with fundraising, making donations, and participating in photo opportunities, often wearing brightly coloured branded shirts, on the front steps of the Government Administration Building, Elgin Avenue.



Chief Officers Gloria McField-Nixon, Jennifer Ahearn and Tamara Ebanks, supported by other civil servants, joined Jennifer West, General Manager of the Cayman Islands Meals on Wheels, to participate in the annual Seniors Rock Dress for a Cause on Friday, 27 October.



In addition to the CIG-wide community outreach programmes that PoCS supported, the team within PoCS also undertook individual initiatives to increase the impact across the community. These initiatives included:

- Food drives for Meals on Wheels (*pictured above*)
- Fundraising on behalf of Jasmine
- Participation in multiple careers fairs at various schools
- The Giving Tree (December), organized by the Office of the Deputy Governor in partnership with the Needs Assessment Unit and the Department of Children and Family Services. Through this initiative, civil servants are able to purchase Christmas gifts for families in need (*pictured right*)



Honouring Women Month Tea Party

On 24th March 2023, PoCS, in partnership with District Administration, hosted the Honouring Women Month Tea Party in Cayman Brac. At the event, the Honourable Chief Justice, Margaret Ramsay-Hale, delivered a thought-provoking keynote address in front of a full house at the Multi-Purpose Hall on the Bluff. During her deeply engaging remarks, the Honourable Chief Justice highlighted women from the Brac who had shattered glass ceilings, including the Honourable Juliana O'Connor-Connolly, who became Cayman's first woman Premier in 2012, and Ms. Chelsea Whittaker, who was named Deputy District Commissioner in 2021. While she lauded the accomplishments of the women of the Cayman Islands, she also highlighted a concerning trend among young men, not only in Cayman, but across the developed world, which is that young men are now being significantly outperformed by their female counterparts in college, and have much higher high school dropout rates. Ms. Ramsay-Hale encouraged the women in the room not to lose sight of their sons, nephews and brothers while pursuing their own goals, and to continue to encourage young men to be the best versions of themselves possible.



Front table: The CIG's 2022 Employee of the Year and PoCS's Employee of the Month winners and Chief Officer's Choice recipients listen keenly as the keynote address is delivered by the Honourable Chief Justice, Margaret Ramsay-Hale.

In addition to the participants from the Brac, PoCS arranged for the Employee of the Year – PoCS's own Lareta Mack – and all 2022 PoCS Employee of the Month and Chief Officer's Choice recipients to attend the event.

Throughout what was a very pleasant afternoon, attendees were treated to tea and nibbles, and special performances, including a musical performance by the students of Layman Scott High School.

The Deputy Governor's 5K Challenge

The Deputy Governor's (DG's) 5K Challenge was held on all three Islands during the month of April, drawing high numbers of runners, joggers and walkers of all ages.

As in previous years, the DG's 5K Challenge brought together civil servants, private sector employees and members of the public to participate in a fitness and fundraising challenge. The 5K is part of the DG's vision to have a healthier, more active and more socially engaged Civil Service, while also benefitting charitable organisations and initiatives in the Cayman Islands. In addition to this vision, the DG's own health scare in 2022 prompted him to reinforce the importance of exercise, proper nutrition and adopting heart-healthy habits.

The 5K Challenge, which raises money through a combination of corporate sponsorship pledges and registration fees, raised \$82.5K in 2023, which was shared equally among three charities / non-profits, namely the Cayman Islands Red Cross, LOUD Silent Voices, and the United Against Bullying Foundation.

Continuing the firm's long-standing support of the DG's 5K Challenge, platinum sponsor Appleby returned as the main sponsor of the 2023 event. Gold sponsors of the 2023 Challenge were Davenport Development, Ernst & Young, Butterfield, the Cayman Islands Civil Service Association Cooperative Credit Union, and Dart.

Since the launch of the 5K Challenge in 2014, \$559K has been raised on behalf of various charities and non-profit organisations within the Cayman Islands.



The Honourable Deputy Governor, Mr. Franz Manderson, presents a young participant with his medal following the DG's 5K Challenge in Cayman Brac.

1.2 STRUCTURE AND FUNCTION OF THE PORTFOLIO

PoCS Structure and Function

PoCS is responsible for supporting Her Excellency the Governor and the Deputy Governor in the fulfillment of their obligations for the Civil Service in the areas of HR policies and compliance, public sector management and reform, and good governance practices.

PoCS is comprised of 12 departments, sections and units, outlined below. PoCS also has oversight of one statutory authority, namely the Cayman Islands Public Service Pensions Board (PSPB). PSPB has issued a separate annual report to document their individual entity performance.

Table 1. PoCS Departments and Areas of Strategic Focus

DEPARTMENTS AND AREAS OF STRATEGIC FOCUS		
HR Centre of Expertise & Management Practices	Public Sector Reform	Good Governance
• Strategic and Corporate HR Unit • Finance and Administration Section • Civil Service College • Cayman Islands National Archive	• Management Support Unit (MSU)	• Elections Office • Office of HE the Governor • Office of the Deputy Governor • Internal Audit Service • Commissions Secretariat • Office of Education Standards • Passport and Corporate Services Office

Vision and Mission for the Portfolio of the Civil Service

Table 2. Our Vision & Mission

Our Vision	Our Mission
<i>To be a valued partner in achieving performance excellence across the Cayman Islands Government.</i>	<i>To promote democracy, good governance, and the realization of a World-Class Civil Service, by delivering innovative, efficient and effective Human Resource policies, public sector reform, and management practices across the Cayman Islands Government.</i>

The Portfolio's Senior Management Team



Back row (left to right): Jerome White, Senior Project Manager; Monique Malcolm, Director, Human Capital Development; Nadisha Walters, Chief Financial Officer; Charlene Howell-Litchmore, HR Management Advisor; Jo Richards, Senior HR Policy Advisor; Melanie Ebanks-Jackson, HR Management Advisor.

Front row (left to right): Ryan Rajkumarsingh, Deputy Chief Officer; Gloria McField-Nixon, Chief Officer; Lauren Knight, Deputy Chief Officer.

Missing from Senior Management Team photo:



*Sheena Thompson
- HR Management
Advisor*



*Katrina Wilson -
HR Management
Advisor*



*Elizabeth Depledge
- HR Management
Advisor*



*Winston Sutherland,
Director -
Management Support
Unit*



Celebrating Our Employee of the Year Nominee

Katrina Wilson, Human Resources Management Advisor within PoCS's Data Team, was named Employee of the Month (EOM) for June 2022.

Mrs. Wilson earned the award for Delivering an Outstanding Customer Experience, notably for her efforts in relation to the roll out of the CIG's new HR Management System – my-VISTA. The Deputy Governor praised Mrs. Wilson, noting that her performance symbolised and reinforced the values and standards he expects all staff to exhibit: exemplary leadership skills and maintaining open and honest lines of communication with internal and external clients.

As a result of her EOM win, Mrs. Wilson became a nominee for Employee of the Year (EOY), and participated in the 2022 EOY Ceremony which was held on 1st June 2023 at the Kimpton Seafire Resort. Throughout the evening, Mrs. Wilson, along with eleven other EOY nominees were celebrated and praised for their respective contributions to the Civil Service and for their efforts to make lives better.



Her Excellency the Governor, Mrs. Jane Owen, presents Katrina Wilson with a Caymanite plaque at the Employee of the Year Ceremony on 1st June 2023.

Celebrating Our 2023 Employee of the Month and Chief Officer's Choice Recipients

In 2023, PoCS, through the DG's Awards Programme, recognised the hard work and exemplary performance of several of its employees. For the first time since the inception of the Programme, PoCS secured nominations and wins for each month in 2023. Recipients came from core and the wider PoCS, ranging from the Cayman Islands National Archive, to the Office of the Deputy Governor, to the PoCS Data Team. Irrespective of the PoCS unit represented, each of the recipients exemplified the Civil Service Values, professionalism, excellence in service delivery and unwavering dedication.

The 2023 PoCS Chief Officer's Choice recipients were:

Deliver an Outstanding Customer Experience



January 2023

Melanie Ebanks-Jackson
HR Shared Services (core PoCS)

Deliver an Outstanding Customer Experience



February 2023

Felicia Paddyfoote
Internal Audit Service

Deliver an Outstanding Customer Experience



March 2023

Tricia Bodden
C.I. National Archive

Develop Exceptional Leadership



June 2023

Marie Pride
Civil Service College

Demonstrate Excellence in Governance Practices



July 2023

Renita Barnes
Policy Team (core PoCS)

Immediate left: In the first ceremony of its kind, Deputy Chief Officer Lauren Knight virtually presents Ms. Renita Barnes with her Chief Officer's Choice award via Zoom while colleagues, both online and in-person, look on.

Deliver an Outstanding Customer Experience



August 2023

Kara Coe-Donaldson
Office of the Deputy Governor

Demonstrate Excellence in Governance Practices



September 2023

Carol Bennett
Office of Education Standards

Deliver an Outstanding Customer Experience



October 2023

Brooke Borden
Data Team (core PoCS)

Develop Exceptional Leadership



November 2023

Althea Edwards-Boothe
Office of Education Standards

Develop Exceptional Leadership



December 2023

Myrna Serrano - Governor's Office

PoCS's 2023 Employee of the Month recipients were:



**April 2023
Zhané Rambaran
Finance Team (core PoCS)**

In April 2023, Zhané Rambaran, a Financial Administrator within PoCS's Finance Team, received the EOM for consistently "Delivering an Outstanding Customer Experiences". Nominated by Deputy Chief Financial Officer Hadian Parchment, Ms. Rambaran was recognised as "one of the pillars in ensuring that the Finance Team in the Portfolio continues to deliver results and has contributed to maintaining a clean audit each year." The Deputy Governor expressed his admiration for Ms. Rambaran's problem-solving abilities, stating, "Remarkably, you anticipate problems before they arise and offer prompt solutions. Your commitment to following through on your word, whether dealing with internal or external clients, is commendable".



**May 2023
Prisca Smith
Office of the Deputy Governor**

Prisca Smith, Administrative Assistant (Citizenship) in the Office of the Deputy Governor (ODG), was recognised as EOM for May 2023 in recognition of her unwavering commitment to "Delivering an Outstanding Customer Experience". Jodie Scott, Head of Operations in the ODG, lauded Prisca's

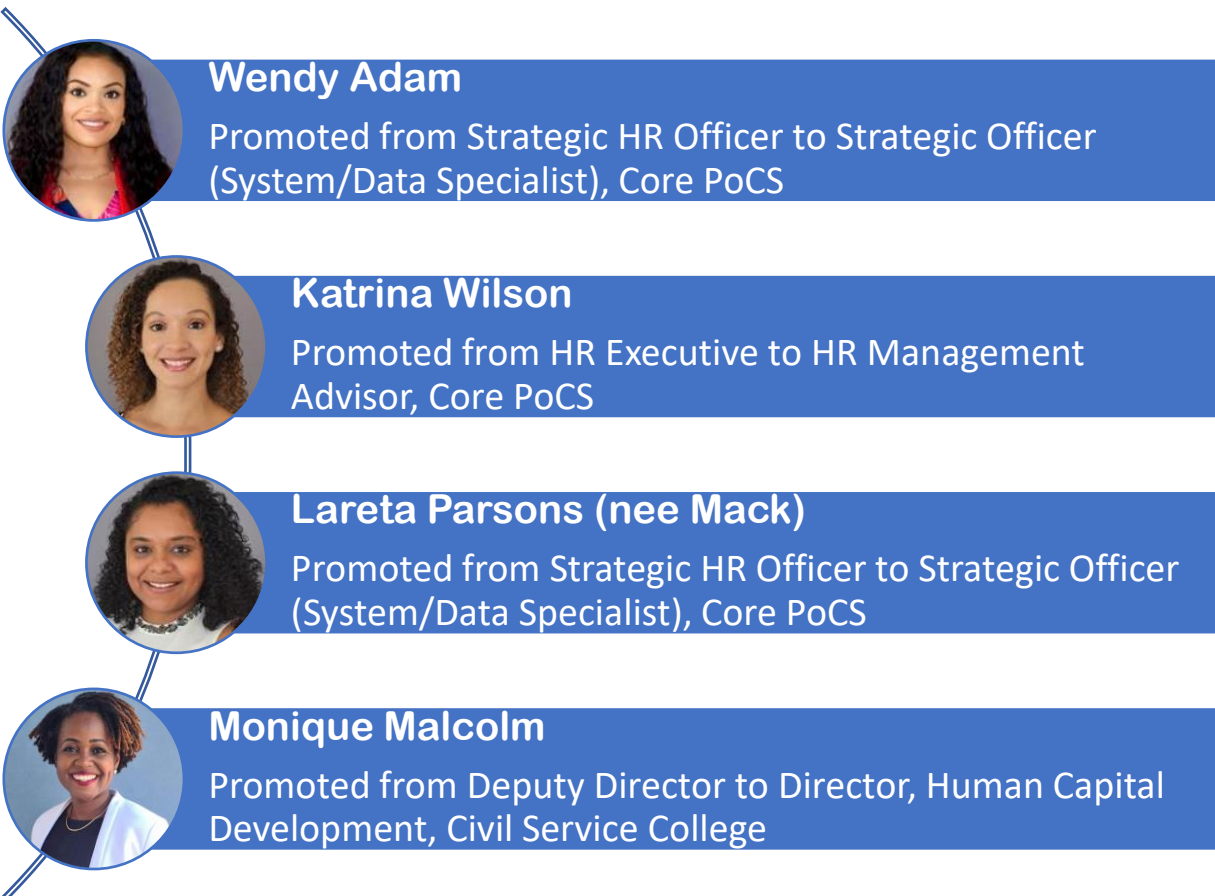
contributions, stating, "Prisca is the epitome of teamwork and service. Her can-do attitude is contagious and helps to motivate her peers through the tough times."

Ms. Smith's diverse responsibilities encompass processing hundreds of British Overseas Territories Citizenship (BOTC) applications and assisting with the processing of applications for the expungement of criminal records. During the award presentation, the Deputy Governor praised Prisca's meticulous attention to detail, her care and professionalism, and her exemplary approach to customer care while maintaining a smile and positive attitude.

As EOM winners, both Ms. Rambaran and Ms. Smith will participate in the 2023 Employee of the Year Ceremony, where the Employee of the Year for 2023 will be named.

Internal Promotions

Throughout 2023, 15 employees within core and the wider PoCS were promoted into new, more challenging roles. Several of the promotions involved staff within PoCS's Data Team, whose roles evolved significantly as a result of the implementation of my-VISTA. Following are details of all 15 internal promotions:





Melanie Ebanks-Jackson

Promoted from HR Executive to HR Management Advisor, Core PoCS



Lisa Gager

Promoted from Strategic HR Officer to Strategic Officer (JE Specialist), Core PoCS



Jodie Ricketts

Promoted from Strategic HR Officer to Strategic Officer (System/Data Specialist), Core PoCS



Tara Bush

Promoted from Communications Officer to Corporate Wellness Officer, Core PoCS



Felicia Paddyfoote

Promoted from Internal Auditor to Senior Internal Auditor, Internal Audit Service



John Wesley

Promoted from Office Support Assistant to Office Manager and Audit Assistant, Internal Audit Service



Matthew Hylton

Promoted to Deputy Chief Advisor and Head of SRIU, Office of the Deputy Governor



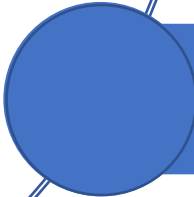
Jodie Scott

Promoted to Head of Operations (Citizenship), Office of the Deputy Governor



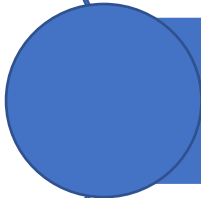
Prisca Smith

Promoted to Senior Admin Officer (Citizenship), Office of the Deputy Governor



Antony Hill

Promoted to Investigator I, Commissions Secretariat



Everton Stewart

Promoted to Information & Communication Technology Officer, Elections Office

1.3 FINANCIAL PERFORMANCE

The complete financial statements, notes and disclosures are presented in Section 3.0 of this report.

The table below summarises the financial performance of PoCS over the past five fiscal years. For the period ended December 31, 2023, the Portfolio recognised revenues of \$19.9 million, an increase of 5% over the previous fiscal year. During the year, there was a steady drive to fill vacancies, resulting in additional staff joining the Portfolio. This in turn increased output delivery and, in some cases, led to budgeted targets being exceeded. In addition, PoCS recognised another full year of third-party revenues from the Passport Office, further increasing revenues.

Expenses during the same period were \$16.4 million, representing a 9% increase over 2022. The increase in expenses was mainly driven by growth in personnel costs resulting from recruitment activity throughout the Portfolio. This caused increases in basic salary and other related personnel cost accounts, such as pension and health insurance. Supplies and consumables maintained prior year expenditure levels with only a slight increase (less than 1%) compared to 2022.

As shown in Table 3, the Portfolio has ended each of the past five financial years in a surplus position, with the 2023 surplus being \$3.4 million.

Table 3. Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE (in thousands)					
Revenue	2019	2020	2021	2022	2023
Cabinet Revenue	11,203	14,219	14,398	14,962	16,137
IAC Revenue	6	84	7	218	263
3 rd Party Revenue	1,011	798	2,018	3,686	3,458
Total Revenue	12,220	15,101	16,423	18,866	19,858
Expenses					
Personnel Cost	8,282	10,228	10,883	11,424	12,803
Supplies & Consumables	2,842	2,524	3,358	3,389	3,422
Depreciation	143	170	159	206	210
Total Expenses	11,267	12,922	14,400	15,019	16,435
Net Surplus for the period	953	2,179	2,023	3,847	3,424

Statement of Executive Financial Transactions

Entity Financial Transactions are the financial transactions that result from the conduct of business or the delivery of outputs by a Ministry, Portfolio or Office.

Executive Financial Transactions, unlike Entity Financial Transactions, do not directly relate to the operations of a Ministry, Portfolio or Office. Executive Financial Transactions are any financial transaction relating to executive revenues, executive expenses, executive liabilities and executive assets of the Government. Executive revenue is any coercive revenue for the benefit of Cabinet's use, and includes revenues from import and motor vehicle duties, garbage fees, work permit fees etc. Executive revenue is utilised by the Cabinet to pay executive expenses, such as the purchase of outputs from Ministries, Portfolios and Offices, transfer payments, interest payments or similar finance costs. Executive liabilities of the Cabinet include the unfunded pension liability for civil servants and borrowings. Finally, executive assets comprise assets such as the Governor's residence.

Executive Financial Transactions are audited at the level of the entire public sector rather than Portfolio level, and hence, they do not appear in the PoCS's audited Financial Statements. At the request of the Office of the Auditor General, details of executive expenses related to the Portfolio of the Civil Service have been provided. Following is the Statement of Executive Financial Transactions:

STATEMENT OF EXECUTIVE FINANCIAL TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2023				
Executive Expenses (in thousands)	Actuals	Original Budget	Revised Budget	Variance (Actuals vs. Original Budget)
CIV 1 - Policy Advice to the Head of the Civil Service	2,492	2,681	2,542	189
CIV 7 - Workforce Development (Civil Service College)	3,315	3,408	3,315	93
CIV 13 - Maintenance of the Electoral Register	555	686	686	131
CIV 15 - Policy Advice and Administrative Support provided to the Deputy Governor	1,989	2,008	1,989	19
CIV 16 - Educational Evaluation Services	1,079	1,137	1,079	58
CIN 2 - Health Insurance for Civil Service Pensioners	42,542	36,565	36,565	(5,977)
OE 2 - Personal Emoluments for H.E. the Governor and Official Members of Cabinet	776	850	850	74
OE 19 - Ex-Gratia Plan Payments	1,876	1,377	1,377	(499)
OE 116 - Pension Uplift	2,988	2,794	2,794	(194)
OE 119 - Second Chances Programme	76	196	196	120
OE 120 - Repairs and Maintenance of Executive Buildings	-	50	50	50
OE 126 - Anti-Gang and Child Safeguarding Support	-	230	230	230
OE 141 - Emerging Talent Development	197	400	400	203

Discussion of Executive Expense Variances

CIV 1 - Policy Advice to the Head of the Civil Service: Under budget by \$189K. This underspend primarily resulted from the reallocation of \$139K of the overall appropriation to fund increased capital expenditure (CapEx) associated with the Human Resources Management System (i.e. my-VISTA) project. The budget was reduced accordingly.

CIV 7 - Workforce Development (Civil Service College): Under budget by \$93K. This underspend resulted from the reallocation of \$93K to fund increased CapEx associated with the my-VISTA project. The budget was reduced accordingly.

CIV 13 - Maintenance of the Electoral Register: Under budget by \$131K, due to less activities than anticipated being carried out in 2023 to prepare for the 2025 General Election.

CIV 15 - Policy Advice and Administrative Support Provided to the Deputy Governor: Under budget by \$19K. This underspend was driven by the reallocation of \$19K to fund increased CapEx associated with the my-VISTA project. The budget was reduced accordingly.

CIV 16 - Educational Evaluation Services: Under budget by \$58K. This underspend was driven by the reallocation of \$58K to fund increased CapEx associated with the my-VISTA project. The budget was reduced accordingly.

CIN 2 - Health Insurance for Civil Service Pensioners: Over budget by \$5.98M due to increased premiums, as well as increases in the number of eligible pensioners.

OE 2 - Personal Emoluments for H.E. the Governor and Official Members of Cabinet: Under budget by \$74K.

OE 19 - Ex-Gratia Recipient Grant Payments: Over budget by \$499K due to the payment of a Cabinet approved one-off Ex-Gratia payment to Public Service pensioners in December 2023.

OE 116 - Pension Uplift: Over budget by \$194K due to the addition of newly qualified pensioners and the implementation of a Cabinet approved increase to uplift recipients.

OE 119 - Second Chances Programme: Under budget by \$120K. This variance came about as a result of only three persons qualifying / meeting the eligibility criteria for the programme in 2023.

OE 120 - Repairs and Maintenance of Executive Buildings: Under budget by \$50K as there were no transactions in 2023.

OE 126 - Anti-Gang and Child Safeguarding Support: Under budget by \$230K. All projects taken forward during this period were funded by Ministries and Departments from their allocated budgets; therefore, no bids for funding through this appropriation were received.

OE 141 - Emerging Talent Fund (ETF): Under budget by \$203K. This variance came about as a result of only three persons being enrolled in the Emerging Talent Programme in 2023.

Section 2.0

Departmental Performance



2.1 STRATEGIC AND CORPORATE HR (SCHR)

ENTITY OVERVIEW

The Strategic and Corporate HR Unit provides a variety of HR services and technical HR support to entities across the core Civil Service, as well as to Statutory Authorities and Government-Owned Companies (SAGCs). These services include:

- Implementation of HR reform projects, and the provision of guidance and advice on CIG-wide human resource policies and practices.
- Development and delivery of Civil Service wide programmes that support individuals reaching their potential, such as the Emerging Talent and Second Chances Programmes.
- Monitoring trends and developments in HR matters across the Service, including reports on service-wide trends and data.
- Development and management of the Human Resources Management System (HRMS), as a tool to support the strategic decision-making capability of the CIG, including provision of user support and training.
- Implementation of reward recommendations and management of corporate compensation and benefits, including delivery of job evaluation and job design services, and management of data relating to payroll and medical eligibility of dependents.
- Provision of a variety of HR services and technical HR support, from recruitment and orientation, to employee relations and discipline.

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

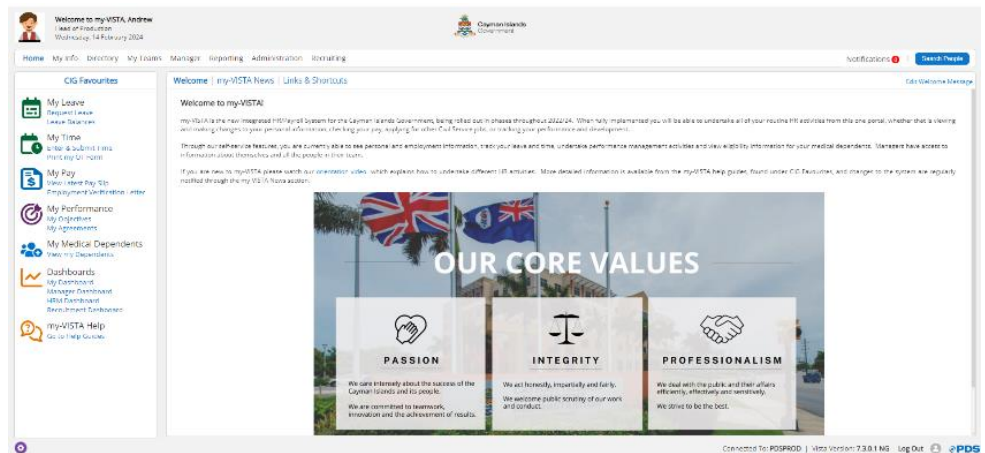
Continued implementation of the new HR Management System (my-VISTA)

2023 saw the continuation of the multi-year, multiphase, project to implement the new HR Management System, my-VISTA, for the Civil Service. The system, when fully implemented, will support strategic priorities by:

- Streamlining processes
- Improving governance
- Improving the user experience
- Leveraging technology to automate repetitive tasks and standardise workflows
- Delivering enhanced KPI and data forecasting capabilities
- Supporting the talent strategy by promoting CIG as an employer of choice and laying the foundation for workforce planning

During 2023, system enhancements supported Government priorities to strengthen good governance by delivering a range of analytics for the HR profession to enable them to better manage their employee data, and a suite of automated financial reports to support the Finance profession with reporting on leave liability and other HR related expenditure.

The user interface within my-VISTA was upgraded in 2023 to provide a better user experience. Improvements in internal customer service were also achieved by



transitioning employee medical eligibility management from a legacy system to my-VISTA. The transition of the management of medical eligibility to my-VISTA provided:

- Employees with the ability to view, in real time, their medical dependents.
- Automated financial reporting on the cost of CINICO premiums.
- A reduction in the number of eligibility queries, and
- Continuity of coverage (vs. dropped coverage associated with the legacy system).

Remuneration and Reward

During 2023, SCHR facilitated the following outcomes with respect to pay and reward:

- Implementation of an honorarium of \$1,500, paid to all civil servants in December 2023.
- Implementation of a performance-based reward of one additional leave day for high performing Civil Servants, awarded to 2,885 civil servants.
- Significant traction across the Civil Service on the initiative to migrate employees from bi-weekly pay to monthly terms and conditions to support the Civil Service pay philosophy of being “Transparent, Fair and Enabling”.

Job Evaluation

The Job Evaluation team holds a pivotal role in creating an equitable and uniform framework for employees, ensuring internal fairness, attracting and retaining talent, and enhancing overall organizational effectiveness. In 2023, the team meticulously assessed and evaluated more than 500 jobs, resulting in improved job grading and a more transparent and robust process.

Policy

PoCS provides advice and implementation support on CIG-wide human resource policies and practices, with the aim of ensuring that the frameworks used to manage its most critical resource, people, are fit for purpose and support the business to deliver the Government's objectives.

In 2023, PoCS delivered 10 policies, covering HR topics ranging from performance management to managing the award of a performance-based discretionary leave day. Additionally, the CIG's Official Travel Policy was updated to reflect current market pricing for accommodations and per diem.

In addition to the 10 policies delivered, the Policy Team undertook a major project to review the existing maternity and paternity leave benefits ('parental leave') for civil servants with a view to enhance said benefits to make the CIG's overall benefits package more attractive / competitive. The project involved extensive research into the parental leave provisions in leading countries, civil services, UK Overseas Territories and local organisations, consultation with key internal and external stakeholder groups, and formulation and costing of proposals. A proposal was accepted by the Deputy Governor in late 2023 and is due to go to Cabinet in the first quarter of 2024. The project will culminate in changes in the Personnel Regulations to formally adopt the proposed increases to parental leave, which will ultimately afford new civil service parents additional time and money to be at home establishing strong bonds with their infants.

Supporting Talent Management / Development

In 2023, three persons were funded to participate in the Second Chances Programme (SCP), which is a programme designed to provide ex-offenders, who meet certain criteria, access to employment opportunities within the Civil Service. Two participants were paired with jobs in the Department of Planning and the third joined the Department of Agriculture. The addition of the three SCP participants in 2023 brought the total number of SCP candidates who have been successfully matched to jobs in the Civil Service to 14.

Another talent management programme within the CIG is the Emerging Talent Programme, which provides opportunities for persons to gain the practical experience necessary for permanent appointment, as well as facilitates talent mobility within the Civil Service. In 2023, three Caymanians were recruited or seconded to gain experience in their respective fields, with two of the participants being confirmed in post as at January 1, 2024.

FORWARD LOOK – 2024 STRATEGIC FOCUS

2024 will see the next major phase of the my-VISTA implementation being completed, with the focus on replacing the CIG payroll system in the first half of the year.

Tools to support the scheduling component within Government agencies that provide 24/7 services will be trialed during 2024. Additionally, the implementation of a new on-boarding module will target improvements in the candidate experience for new employees as they start their Civil Service career.

In 2024, the Job Evaluation team will launch a training initiative aimed at individuals with HR responsibilities. The initiative will seek to demystify the job evaluation process, empowering HR professionals with the knowledge and skills necessary to ensure effective implementation.

In the later part of 2024, preparation work will be undertaken to deliver new functionality which will support the Civil Service's ability to deliver succession planning and talent management.

2.2 THE CIVIL SERVICE COLLEGE

ENTITY OVERVIEW

The Civil Service College (CSC) provides learning and development (L&D) opportunities that build capabilities for the needs of the organization today and into the future. The work of the CSC delivers against two of the Government's Strategic Broad Outcomes (SBO), namely "Strengthening Good Governance for More Effective Government" and "Improving Education by Promoting Lifelong Learning".



Under these SBOs, CSC's primary areas of focus are:

- Formal Education for Career Advancement
- Core Competency Development
- Leadership and Management Capability Building

SUMMARY OF 2023 ACHIEVEMENTS

During 2023, the CSC continued work within its three areas of primary focus, aligned to the priorities set out in the Government's SBOs and the Civil Service's Strategic Plan.

Significant achievements during the year included:

- Over 100 civil servants achieved internationally recognised City and Guilds ILM qualifications in leadership and management, from Level 2 to Level 7.
- 30 civil servants participated in the new Foundational Business Communication programme.
- Civil Servants completed 7,600+ individual LinkedIn Learning courses, reflecting over 8,000 hours of online learning.
- Updated Learning Pathways were launched on LinkedIn Learning in support of building core competency skills, and the first Mega Core Competency challenge was initiated to build awareness and participation.
- Delivered the first Learning at Work Week for civil servants in Grand Cayman and the Sister Islands, attracting over 200 participants to the workshops, and many more to the online learning recommendations.
- Launched an L&D Community of Practice and continued to support a network of Learning Champions and Associate Facilitators to establish a thriving learning culture within the Civil Service. Notably, the ILM Associate Facilitator programme increased CSC's reach across the Civil Service, leading to an extra 40 civil servants gaining leadership qualifications.

In 2023, the L&D initiatives undertaken by the CSC continued to make a positive impact across the Civil Service. This was confirmed by a 3% increase in the “Learning and Development” category of the CIG-wide Employee Engagement Survey. 2023 was the third consecutive year in which the L&D score increased by 3%, evidencing the reach and effectiveness of CSC initiatives and programmes in the last three years. Notably, the survey statement “Learning and development activities I have completed in the past 12 months have helped improve my performance” saw a 5% gain compared to 2022, and an 11% increase over the last two years. Said increases speak to the quality and accessibility of training that directly impacts civil servants and their ability to better carry out their duties.

FORWARD LOOK – 2024 STRATEGIC FOCUS

Increased Access to Formal Education

In 2024, CSC will finalise a framework to provide carefully selected scholarship applicants with financial support and internal guidance to pursue degrees up to the Master's level. This will expand and improve access to scholarships when compared to former programmes focused on Associate's degrees.

Supporting Leadership Development Through Coaching

Recognising the importance of leadership development as the CIG navigates its journey to world-class, the CSC intends to expand access to coaching to help build trusting, productive relationships to support the CIG's ambition of operating with greater accountability and pace. A priority initiative in this area will be the pilot of the ILM Level 3 Certificate in Effective Coaching, which will provide learning and guidance on how to embed important approaches in these areas.

Leveraging Technology to Improve Learning

In 2024, the CSC will continue to provide L&D opportunities for all civil servants, including streams of work on effectively leveraging technology. In addition to continually embedding and growing LinkedIn Learning, the College will be integrating a Learning Management System (LMS) into My-Vista. This will allow for increased access to quality learning, better reporting and improved insights on skill development opportunities for the future.

2.3 MANAGEMENT SUPPORT UNIT (MSU)

ENTITY OVERVIEW

The Management Support Unit (MSU) is responsible for the facilitation and monitoring of Civil Service reform, based on the priorities of the Deputy Governor, across all Civil Service entities, and provides advice, support and capability development to Ministries and Portfolios to improve overall performance and effectiveness within the Civil Service.

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

Under the 5-Year Strategic Plan, which covered the period 2018 – 2023, the Cayman Islands Civil Service made significant strides to create a dynamic, modern, professional and respected Civil Service that supports good governance, serves the community and positively contributes to the ongoing economic and social development of the Cayman Islands. Whilst the Plan yielded significant results in some areas and increased internal and external confidence, the CIG's Senior Leadership Team agreed that the Strategic Plan needed to be 'refreshed' to carry the Civil Service into the future, so as to move the CIG closer to its goal of becoming a World-Class Civil Service.

In 2023, the MSU was charged with undertaking a Civil Service Strategy Refresh to create a follow-up plan which allows CIG to complete the reforms it begun, to shift past wins to business as usual activities, and to ensure continued relevance of the Civil Service Strategy by leveraging insights on current threats and opportunities, to best respond to the current environment.

The Strategy Refresh project resulted in a short-term, 2-Year Plan that seeks to embed past successes, and sharpens focus on priority areas of public sector reform, which are delivered through a renewed accountability framework. The updated Strategic Plan will be launched in April 2024, contains an additional pillar, which focuses on accountability, and includes greater clarity regarding the relationship between the Strategic Plan and Government's priorities.

Other achievements of the MSU during 2023 include:

- The development of the 'Vista Time' module in my-VISTA to record time and attendance for shift workers.

- The launch of four bespoke Communities of Practice for Heads of Department, Deputy Chief Officers, Policy professionals, and HR professionals respectively.
- Delivery of a series of development events to grow the capability of the members of the Policy profession.
- Development and roll-out of a number of managerial toolkits, including the strategic planning toolkit, the Culture Web and the Theory of Change.
- Designed and rolled out a successful pilot event for frontline employees, at which the Deputy Premier gave the keynote address.
- Redeployment of two staff members, for a portion of the year, to support two key Civil Service entities, namely the Commission's Secretariat (Q4 2023) and WORC (from July to December 2023).

FORWARD LOOK – 2024 STRATEGIC FOCUS

In 2024, the MSU will continue the programme of work relating to Civil Service reform, inclusive of overseeing the implementation of the updated Civil Service Strategic Plan in the first quarter of the year.

The MSU will continue to provide advice and support to individuals, teams and entities throughout the year, and will continue to support the Communities of Practice that were introduced in 2023.

2.4 CAYMAN ISLANDS NATIONAL ARCHIVE (CINA)

ENTITY OVERVIEW

The Cayman Islands National Archive is responsible for establishing the Records and Information Management (RIM) infrastructure for the entire Public Sector to facilitate compliance with the National Archive and Public Records Act (2015 Revision). Additionally, the National Archive preserves, promotes, and facilitates access to the national Historical Collections.

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

In 2023, CINA continued to support good governance by strengthening RIM practices and by providing ongoing support to CIG entities. Specifically, CINA:

- Delivered advice and guidance on the topics of digitisation of paper records and their disposal once scanned, retention periods for records, and the development of operational disposal schedules.
- Audited and witnessed the authorised destruction (mainly via shredding by a third-party vendor) of a total of 1,325 boxes of records past retention periods, for seven public agencies.

Additionally, since implementation in 2021, 274 persons have undertaken the 'Introduction to Records and Information Management' compliance training on the Civil Service College website, recommended for all to gain an understanding of RIM and some of the recordkeeping tools available to manage public records.

To strengthen the ongoing promotion and accessibility of the Historical Collections, and expansion of our Oral History and outreach programmes, CINA:

- Launched video recordings of Oral History interviews, to supplement audio recordings. Highlights include an exit interview with the previous Governor, Martyn Roper, (with the assistance of the Department of Communications), former Inn Theatre and Cayman National Theatre Company Director, Geoff Cresswell, photographer Darvin Ebanks, and singer/songwriter George Nowak.
- In-house development and production of 49 Facebook posts showcasing our Oral History and outreach programmes, and spotlighting various types of records forming the Historical Collections, in concert with celebrating historically significant persons, organisations, anniversaries and events.

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

During the year, CINA recorded the following special achievements and contributions:

- Developed and implemented a RIM workshop for participants from eight agencies to learn how to develop their operational disposal schedules; 10 participants were awarded certificates.
- Shared local history with three schools: at the Cayman Prep Primary School's Cayman Day, John Gray High School's Heritage Day, and a group of ICCI Summer Seminar students.
- Partnered with the National Gallery supplying (as a short-term loan) an original Bendel Hydes painting 'Homage to Cayos Miskitos I, Bendel Hydes, 1993 (Coll. 154)', for the 81 Degrees West exhibition.
- Assisted the Cayman Maritime Authority with images for a stamp issue commemorating 120 years of the Shipping Registry in the Cayman Islands.
- Assisted the Cayman Islands Folk Singers 14th Anniversary concert by providing historical video footage used as a backdrop.
- Conducted a series of external teambuilding events for National Archive staff, including visits to Pedro St. James, the Mission House, the National Gallery, and the National Museum.



Homage to Cayos Miskitos I, 81 Degrees West Exhibition

- Presented mini Reading Room exhibits, including History of National Heroes Day (various publications and a photographic exhibit of programmes), History of CINA's Oral History Programme (interpreted through obsolete equipment), and photos of selected 1957 Women Suffrage petitions.



John Gray High School students attend the Heritage Day event.

FORWARD LOOK – 2024 STRATEGIC FOCUS

In 2024, CINA plans to:

- Achieve awareness and buy-in for RIM guidance documents by expanding collaboration with internal and external stakeholders.
- Streamline the development for operational disposal schedules.
- Continue ongoing promotion of, and accessibility to, the Historical Collections with a customer-centric focus, including the development of the outreach programme via digital platforms geared towards younger target audiences.

2.5 COMMISSIONS SECRETARIAT

ENTITY OVERVIEW

The Commissions Secretariat provides strategic, operational, administrative, public relations, public education, recruitment, research, policy and investigative support to six (6) commissions so that they can fulfill their constitutional and/ or legal mandates in an independent manner. The commissions supported are the:

1. Anti-Corruption Commission (ACC)
2. Civil Service Appeals Commission (CSAC)
3. Commission for Standards in Public Life (CSPL)
4. Constitutional Commission (CC)
5. Human Rights Commission (HRC)
6. Judicial and Legal Services Commission (JLSC)

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

During 2023, the Commissions Secretariat:

- Supported the ACC with investigating eleven alleged cases of corruption.
- Supported good governance by facilitating annual declaration of interests from public officers on behalf of the CSPL to maintain the Register of Interest (ROI). This resulted in 99% of submissions

being made via the ROI online portal, which represents the largest percentage of ROI submissions made online in a reporting period to date.

- Supported the CSPL to finalise and submit revised legislation for approval, which is aimed at strengthening the work of the Commission.
- Supported the JLSC to ensure the effective recruitment and appointment of two Judges for the Grand Court and two Judges for the Court of Appeal.
- Conducted a campaign to invite expressions of interest for appointment to the commissions. This resulted in potential appointees being identified to fill seven vacancies for Chairman and Member posts on four commissions in order to support continuity of the commissions.
- Provided public relations support to promote the work of the commissions. This included undertaking a social media campaign for the HRC to promote human rights as well as supporting the CC with participation in moot competitions aimed at educating the future generation about the Cayman Islands Constitution.

SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

During the course of the Cayman Island's response to the Financial Action Task Force (FATF), the Commission Secretariat's investigative team provided evidence, on behalf of the ACC, demonstrating the jurisdiction's investigations and prosecutions of money laundering, which contributed to the Cayman Islands being removed from the FATF's 'grey list'.

FORWARD LOOK – 2024 STRATEGIC FOCUS

In 2024, the Commissions Secretariat will focus on advancing Government's Broad Outcome for enhancing competitiveness while meeting international standards. As such, priority will be given to:

- Providing professional and uninterrupted support to the six commissions so that they can effectively deliver on their respective mandates.
- Developing and implementing systems, policies and procedures to support best practices and ensure consistent service to the commissions.
- Ensuring openings / vacancies on the commissions are filled on high priority so that the work of the commissions is not adversely impacted.
- Developing and rolling out key Public Relations and Educational initiatives to support the mandate of the commissions, including reintroducing revised Bill of Rights training to the CIG.

2.6 INTERNAL AUDIT SERVICE (IAS)

ENTITY OVERVIEW

The Internal Audit Service (IAS) delivers a systematic and disciplined approach to evaluating, safeguarding and improving the effectiveness of the CIG's governance, risk management and control processes. This is

accomplished by following internationally recognised standards for the professional practice of internal auditing, thus providing the CIG with independent and objective assurance and advice.

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

2023 was a year of transition to re-establish the value of the IAS and invest in the future talent of the service and build a foundation for the future. The changes made during the year included:

- Appointment of a new Director (January 2023) and a Deputy Director (June 2023), facilitated through secondment agreements with the UK Government Internal Audit Agency and core PoCS respectively.
- Establishment of a new Audit Charter (June 2023) and Memorandum of Understanding with the Office of the Auditor General (July 2023).
- A refresh of the audit methodology and IAS reporting template (September 2023).
- Development of career frameworks for all roles within IAS.
- Stakeholder Management Plan approach to support a move to collaborative working arrangements between the IAS and CIG stakeholders (August 2023).

Business as Usual Activities

The IAS delivered the following business as usual results in 2023:

- 92% of audit reports delivered to draft report stage by January 2024.
- 8 investigations were undertaken.
- 1,067 hours of advisory services and support delivered.
- Completed the 2022 Annual Report.
- Completed 12 Public Service Management Act compliance audits / reports, and two 'Senior Appointments' reports.
- Organised and supported three meetings of the Audit and Risk Assurance Committee (ARAC), aligning meeting agendas to a more strategic focus.
- Updated the Action Tracking process and introduced monthly updates to Chief Officers and the Deputy Governor.

Resource Utilisation

Internal audit resources were effectively allocated based on risk assessments. Training and development initiatives were pursued to enhance the skills and capabilities of the internal audit team, ensuring they stay abreast of industry best practices. During 2023, the pass rate for those IAS employees who sat professional certification exams was 100%.

FORWARD LOOK – 2024 STRATEGIC FOCUS

Looking to the year ahead, the IAS will embed new ways of working and have identified the following focus areas, which emphasise training and a revised approach to the IAS's delivery management, based on agile principles.

Technology and Innovation

The IAS will continue to embrace technology to enhance audit efficiency. Automation tools and data analytics will continue to be leveraged to streamline audit processes and provide deeper insights.

Stakeholder Communication

Communication channels will be actively used to engage with CIG management. Stakeholder feedback will continue to be addressed promptly, fostering collaboration and transparency between internal audit and the CIG.

Investors in People

It is the intention of the IAS to achieve the Investors in People designation by the end of 2024.

Quality Assurance and Improvement Programme

The IAS's robust Quality Assurance and Improvement Programme ensures the reliability and effectiveness of audit processes. Continuous improvement initiatives were implemented over the past few years based on lessons learned, contributing to the overall effectiveness of the internal audit function. In 2024, all recommendations from the last External Quality Assessment review will be implemented, as part of the preparations to move toward implementing refreshed Internal Audit Standards for compliance in 2025.

The Internal Audit team remains committed to delivering value through independent and objective assurance to the stakeholders across CIG. The achievements and lessons learned during 2023 provide a solid foundation for continuous improvement and excellence in internal audit practices, and will allow for progress and development of the team, the service and the profession.

2.7 ELECTIONS OFFICE

ENTITY OVERVIEW

The Elections Office ("the Office") is an independent Government agency which is responsible for the maintenance of the Register of Electors (Voter's List). The Office is charged with delivering General Elections, By-Elections and Referendums in accordance with the Cayman Islands Constitution, and relevant laws of the Cayman Islands.

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

In 2023, work was carried out to update the Voter's List, namely the processing of applications for new voters, removal of deceased and otherwise ineligible voters, and updates to the details of existing voter information. This work resulted in a revised Voter's List of 23,495 registered voters as at 31 December 2023. This year-end total represents a decrease of 114 voters over the 23,609 persons who were registered at the time of the 2021 General Election.

FORWARD LOOK – 2024 STRATEGIC FOCUS

During 2024, the Elections Office team will:

- Begin preparations for the delivery of the 2025 General Election, which is due to take place in April 2025.
- Conduct voter registration drives in advance of the General Election.

2.8 OFFICE OF EDUCATION STANDARDS (OES)

ENTITY OVERVIEW

The Office of Education Standards (OES) is an established department of the Cayman Islands Government whose role is defined in the Education Act, 2016. Like many jurisdictions globally, the Cayman Islands monitors the standards of practice in schools and early childhood care and education settings through inspections. The OES promotes the raising of standards of achievement in schools and early childhood centres in the Cayman Islands through rigorous and independent inspections and by the provision of sound professional advice to the Ministry of Education and the Department of Education Services.

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

In February 2023, the OES published a National Progress Comparison Report for School Inspections between 2018 and 2022. This report offered a comprehensive overview of schools' performance across two inspection cycles. The analysis encompassed school inspection data over four-plus years, drawing upon key inspection findings and international research. The report not only highlighted areas requiring further attention, but also identified areas of positive change and improvements. It also underscored how rigorous and collaborative evaluation supports school reform and enhances educational outcomes for students.

Additionally, throughout 2023, the OES:

- Published the National Early Years Progress Report (April 2023). The findings derived from the two Early Years inspection cycles offered valuable insights into Early Years education in the Cayman Islands. Despite the challenges posed by the COVID-19 pandemic, a commendable number of providers had succeeded in enhancing their overall ratings, demonstrating resilience and adaptability. The data also highlighted areas for improvement.
- Completed 22 Full Inspections and 4 Follow-Through Inspections of educational institutions.
- Developed a bespoke Early Childhood Inspection Framework aptly titled *First Steps to Success: Nurturing Environments and Thriving Children*. This was achieved through partnership with an international early years consultant and securing cross-sectoral support from key local groups and Government entities. This achievement marked a significant milestone for the OES.
- Organised a series of familiarisation sessions for educational institution leaders and staff to ensure all stakeholders had a comprehensive understanding of *First Steps to Success* before its integration into the inspection process. Over 110 educators attended.
- Welcomed a local educator with inspector training into the position of Inspector.
- Implemented significant revisions to inspection methods and tools, including a concise and reader-friendly update to the inspection report template. The team also crafted a document which outlined the rationale and methodology for risk-based inspections.



SUMMARY OF SPECIAL ACHIEVEMENTS AND CONTRIBUTIONS

The OES delivered the following special projects / made the following special contributions during 2023:

- An OES Senior Inspector presented at a regional Early Years Conference in May 2023. Additionally, in June 2023, two Senior Inspectors participated in international conferences focusing on teaching and learning, as well as special educational needs. These experiences have contributed valuable skills and insights to enhance the overall capabilities of the team.

- In October, a Senior Inspector obtained certification in Agile Project Management Qualification.
- Two members of the OES team were the recipients of the Chief Officer's Choice Award, which is an award under the Deputy Governor's Awards Programme. Senior Inspector, Carol Bennett, was nominated for Excellence in Governance Practices, acknowledging her pivotal leadership in the development of the early childhood inspection framework. OES Acting Director, Althea Edwards-Boothe was nominated for Developing Exceptional Leadership, acknowledging her remarkable dedication to capacity building and talent development, notably through the development and facilitation of the Cayman Associate Inspector (CAI) Programme. This initiative supports the transfer of knowledge and skills among local educators and has successfully enabled the progression of local educators into Inspector roles within the OES.

FORWARD LOOK – 2024 STRATEGIC FOCUS

During 2024, the OES:

- Plans to deploy the new early childhood framework for inspections of all early childhood settings, including early years phases at government and private schools.
- Will further enhance key inspection methodologies and tools, including:
 - Deploying a risk-based approach to inspection, which aims to improve the quality and effectiveness of education by focusing on schools that need the most support and intervention;
 - Revising staff and parent surveys and report templates, for conciseness and coherence; and
 - Revising the *Successful Schools and Achieving Students 2* inspection framework for compulsory education to incorporate the risk-based approach and changes to inspection processes and protocols.
- Aims to enhance and expand the CAI Programme to continue a culture of continuous improvement in local schools. Since its inception in 2018, four cohorts have been trained and a tiered programme will be introduced in 2024. The two pathways will provide learning opportunities for participants wishing to apply their learning in their own school and also to those aspiring to assume full inspector responsibilities.
- Intends to strategically recruit a Senior Inspector specialising in mathematics and science to enhance the team's capabilities. Ongoing training initiatives will further develop the local team's expertise, gradually reducing dependence on international inspectors, fostering a self-sufficient and capable OES team.

2.9 OFFICE OF THE DEPUTY GOVERNOR

ENTITY OVERVIEW

The Office of the Deputy Governor (ODG) provides policy advice and strategic and administrative support to the Deputy Governor, in relation to his responsibilities for ensuring the effective operation of the Civil Service and for providing the highest level of support to Her Excellency the Governor. The Office also processes applications for British Overseas Territories Citizenship (BOTC) Naturalisation and Registration, and for British Registration, and provides comprehensive Secretariat Services to a number of Boards and Committees. Additionally, the ODG provides strategic support and facilitates training to drive innovation and efficiencies across the Civil Service. Through services provided by its Strategic Reforms Implementation Unit (SRIU), the ODG also coordinates and delivers priority projects and provides training and guidance for civil servants in project-related disciplines, such as business case development, project management and change management.

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

During 2023, the key achievements of the ODG were:

- Processed 969 BOTC Naturalisation and Registration applications, which significantly exceeded the budgeted targets of 500-700. Consistently high levels of customer satisfaction were reported in relation to the processing of said applications.
- Processed 458 British Registrations, far exceeding the budgeted target of 70 - 150.
- Provided secretariat services that supported the effective operation of a range of Boards and Committees, helping them to achieve good governance objectives and deliver benefits to some of our most vulnerable citizens. The ODG arranged an end of year appreciation luncheon for all these boards. Below are the Boards and Committees that were supported by the ODG in 2023, inclusive of key statistics:
 - The Expungement Board: 48 applications processed, 24 applications approved. Additionally, the ODG initiated a project to explore potential enhancements which involved the analysis of relevant legislation and the roles of the Board and the Criminal Records Office.
 - The Advisory Committee for the Prerogative of Mercy (ACPM): Two committee meetings were held and three applications processed, of which 1 was approved.
 - The Conditional Release Board: 29 hearings were held and 98 applications were processed, of which 42 were approved.
 - The CI Independent Monitoring Board (CIIMB): 11 Board Meetings and three Key Stakeholder quarterly meetings were held, in addition to visits to monitor the treatment and conditions of prisoners and detainees held in the HMCI Prison Service and persons detained under Border Control Laws.

- The Audit and Risk Assurance Committee: Three meetings were held, providing advice to the DG on key governance, risk and control matters across the Civil Service.
 - The Child Safeguarding Board: Three meetings were held, providing challenge and accountability for CIG agencies jointly responsible for safeguarding our children.
- Delivered the Pilot implementation of the Guidance on Remuneration of Members of Public Bodies in the Cayman Islands, which is intended to:
 - promote an equitable and reasonable system of remuneration;
 - promote consistency of decision-making;
 - ensure that, where it is paid, remuneration is affordable; and
 - enhance transparency in public spending.
- Facilitated another successful year of the SRIU Professional Certification Programme, with 62 civil servants earning a combined total of 103 certifications across the following areas: Business Case Development (BBC), Project Management (PMQ and Agile PM), and Change Management. Senior leaders also completed Master Classes in project leadership, benefits realisation and risk management.



Members of the ODG team with the Deputy Governor and participants from the 2023 SRIU Professional Certification Programme.

- Developed and issued a Governance and Management Circular entitled “CIG Guidance-Third Party Risks”, and facilitated two in person-awareness sessions for civil servants.
- Coordinated cross-ministry collaborations for the preparation and tabling of Government Minutes.
- Supported the Ministry of Health and Wellness (MH&W) with the finalisation of the Strategic Outline Case for a Proposal to Enhance the Governance Framework for National Public Health Activities.
- Supported MH&W in the analysis of local and international legislation related to Public Health and Environmental Health.
- Delivered four Board Governance Law and Practice training sessions to a total of 47 public body members, including Civil Servants and employees of SAGC's, with very positive feedback.



Members of the ODG team with members of the MH&W during a workshop for the development of the Strategic Outline Case for a Proposal to Enhance the Governance Framework for National Public Health Activities.



Members of the ODG delivering a Board Governance Law and Practice Training Session.

FORWARD LOOK – 2024 STRATEGIC FOCUS

In 2024, the ODG will aim to:

- Implement an enhanced ODG organizational structure and build on our outstanding ODG staff Engagement Index of 79%.
- Establish three new core leadership functions within the ODG, namely:
 - Enterprise Risk Management
 - National Security Vetting, and
 - Sustainability across the Civil Service.
- Provide strategic support to the DG and the Child Safeguarding Board to finalise and launch the Child Safeguarding Strategy and PR Campaign.
- Support amendments to the Criminal Records (Spent convictions) Act (2018 Revision).
- Support to the Ministry of Health & Wellness with the development of drafting instructions for a new Public Health Act and a new standalone Environmental Health Act.
- Enhance the Professional Certification Programme to include more hands-on experiential learning through real life exercises in order to further build capability of civil servants who hold Project Management, Business Case Writing and Change Management Certifications.
- Support the finalisation of drafting instructions for amendments to the Immigration (Transition) Act (2021 Revision) relating to Marriages and Civil Partnerships of Convenience.
- Support the finalisation of drafting instructions for amendments to the Summary Jurisdiction Act (2023 Revision) in order to expand the existing pool of Justices of the Peace.

2.10 PASSPORT AND CORPORATE SERVICES OFFICE (PCSO)

ENTITY OVERVIEW

PCSO has responsibility for the approval and issuance of British Overseas Territories Citizen (BOTC) Cayman Islands (CI) passports, accepting and couriering US Visitor Visa applications to the US Embassy in Jamaica, and issuing US Visa Waivers, identity/travel documents, refugee travel documents and emergency passports for British Citizens.



PCSO also provides Corporate Services, including the legalisation of public documents for companies and individuals. Legalisation includes affixing an apostille, or authenticating the document, and sealing and signing by an authorised signatory on behalf of Her Excellency the Governor.

Additionally, PCSO manages special marriage licenses granted by the Governor's Office for visitors who have decided to make the Cayman Islands the location of their destination wedding.

SUMMARY OF 2023 ACHIEVEMENTS AND CONTRIBUTIONS

During 2023, the key achievements of the PCSO were:

- The launch of the Legalisation and Governor's Special Marriage License electronic system, which went live on 10th February 2023 and eliminated manual work flows.
- The introduction of the online Verification of Apostilles in August, which facilitates the verification of Apostilles around the world. This brings the Cayman Islands in line with other countries who are members of the Hague 1961 Apostille Convention.
- Completed office renovations to expand work area for staff and to accommodate an increased number of customers.
- Cleared the backlog of BOTC Passport Applications.
- Reallocated resources to quicken processing / turnaround time for BOTC passports, resulting in a 75% decrease in overall processing time.
- Extended opening hours to the public during peak periods, namely summer and Christmas.

FORWARD LOOK – 2024 STRATEGIC FOCUS

In 2024, the focus of the PCSO will be to:

- Develop and deploy the Adult Online Passport Renewal Platform for BOTCs.
- Formulate a file management system in consultation with the Cayman Islands National Archive.

Section 3.0

Financial Statements

AT 31 DEC 2023





GOVERNMENT OF THE CAYMAN ISLANDS

Portfolio of the Civil Service

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023**

Portfolio of the Civil Service

Financial Statements for the year ended 31 December 2023

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Portfolio of the Civil Service in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act (2020 Revision)*.

As Chief Officer, I am responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly recorded the financial transactions of the Portfolio of the Civil Service.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Portfolio of the Civil Service financial statements, representation and judgements made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows of the Portfolio of the Civil Service for the financial year ended 31 December 2023.

To the best of our knowledge we represent that these financial statements:

- (a) completely and reliably reflect the financial transactions of the Portfolio of the Civil Service for the year ended 31 December 2023;
- (b) fairly reflect the financial position as at 31 December 2023 and performance for the year ended 31 December 2023;
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Gloria McField-Nixon
Chief Officer
25 April 2024

Nadisha Walters
Chief Financial Officer
25 April 2024

AUDITOR GENERAL'S REPORT

To the Members of Parliament and the Chief Officer of the Portfolio of the Civil Service

Opinion

I have audited the financial statements of the Portfolio of the Civil Service (the "Portfolio"), which comprise the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 43.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Portfolio as at 31 December 2023 and its financial performance and its cash flows for the year ended 31 December 2023 in accordance with International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Portfolio in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Portfolio's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Portfolio or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Portfolio's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITOR GENERAL'S REPORT (continued)

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Portfolio's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Portfolio to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Act (2020 Revision)*. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sue Winspear, CPFA
Auditor General

25 April 2024
Cayman Islands

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2023
(Expressed in Cayman Islands Dollars)

Prior Year Actual		Note	Current Year Actual	Original Budget	Final Budget	Variance (Original vs Actual)
CI\$000			CI\$000	CI\$000	CI\$000	CI\$000
	Current Assets					
4,178	Cash and cash equivalents	2	8,770	9,365	9,365	595
1,639	Trade Receivables	3	790	4,758	4,758	3,969
395	Other Receivables	3	221	129	129	(92)
41	Inventories	4	43	37	37	(6)
305	Prepayments	5	148	37	37	(110)
6,558	Total Current Assets		9,971	14,327	14,327	4,356
	Non-Current Assets					
58	Trade Receivables	3	-	97	97	97
823	Property, plant and equipment	6	967	849	849	(118)
714	Intangible Assets	6b	1,016	639	949	(377)
1,595	Total Non-Current Assets		1,983	1,585	1,895	(398)
8,153	Total Assets		11,954	15,912	16,222	3,958
	Current Liabilities					
32	Trade Payables	7	5	41	41	37
854	Accruals and other liabilities	7	794	662	662	(133)
417	Unearned revenue	8	439	220	220	(219)
378	Employee entitlements	9	295	435	435	139
3,853	Surplus Payable	10	7,320	11,565	11,565	4,245
5,534	Total Current Liabilities		8,853	12,923	12,923	4,070
5,534	Total Liabilities		8,853	12,923	12,923	4,070
2,619	Net Assets		3,101	2,989	3,299	(113)
	Equity					
439	Revaluation reserve		439	398	398	(41)
2,180	Contributed Capital		2,662	4,089	4,399	1,427
-	Accumulated		-	(1,498)	(1,498)	(1,498)
2,619	Total net assets/equity		3,101	2,989	3,299	(113)

The accounting policies and notes on pages 10-43 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Prior Year		Note	Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
CI\$000			CI\$000	CI\$000	CI\$000	CI\$000
	Revenue					
18,866	Sales of goods & services	11	19,858	20,426	20,116	(567)
18,866	Total Revenue		19,858	20,426	20,116	(567)
	Expenses					
11,424	Personnel costs	12	12,803	14,461	14,461	(1,658)
2,734	Supplies and consumables	13	2,680	3,335	3,025	(654)
590	Leases	14	645	630	630	15
206	Depreciation and Amortization	6	210	448	448	(239)
44	Litigation costs		38	31	31	7
14,999	Total Expenses		16,377	18,905	18,595	(2,528)
	Other Gains/(Losses)					
(20)	Gains/ (Loss) on Foreign Exchange	16	(47)	-	-	(47)
(0)	Gains/(Loss) on Sale of Assets	16	(11)	-	-	(11)
(20)	Total Other Gains/(Losses)		(58)	-	-	(58)
3,847	Surplus or (Deficit) for the period		3,424	1,521	1,521	1,903

The accounting policies and notes on pages 10-43 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

	Contributed Capital	Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2021	1,579	-	439	-	2,018	2,002	2,002	(16)
Prior Year Adjustments	-	-	-	6	6	-	-	(6)
Restated balance	1,579	-	439	6	2,024	2,002	2,002	(22)
Changes in net worth for 2022								
Equity Investment from Cabinet	601	-	-	-	601	734	734	133
Repayment of surplus to Cabinet	-	-	-	(3,853)	(3,853)	(1,444)	(1,444)	2,409
Net revenue / expenses recognised directly in net worth	601	-	-	(3,853)	(3,252)	(710)	(710)	2,542
Surplus/(deficit) for the year 2022	-	-	-	3,847	3,847	1,444	1,444	(2,403)
Total recognised revenues and expenses for the year	601	-	-	(6)	595	734	734	139
Balance at 31 December 2022	2,180	-	439	-	2,619	2,736	2,736	117
	Contributed Capital	Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total Net worth	Original Budget	Final Budget	Variance (Orig. vs Actual)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2022	2,180	-	439	-	2,619	2,736	2,736	117
Prior Year Adjustments	-	-	-	44	44	-	-	(44)
Restated balance	2,180	-	439	44	2,663	2,736	2,736	73
Changes in net worth for 2023								
Gain/(loss) on property revaluation	-	-	-	-	-			
Equity Investment from Cabinet	539	-	-	-	539	253	563	(286)
Capital withdrawals by Cabinet	(57)	-	-	-	(57)	-	-	57
Repayment of surplus to Cabinet	-	-	-	(3,467)	(3,467)	(1,521)	(1,521)	1,947
Net revenue / expenses recognised directly in net worth	482	-	-	(3,467)	(2,985)	(1,268)	(958)	1,717
Surplus/(deficit) for the year 2023	-	-	-	3,424	3,424	1,521	1,521	(1,903)
Total recognised revenues and expenses for the year	482	-	-	(44)	438	253	563	(186)
Balance at 31 December 2023	2,662	-	439	0	3,101	2,989	3,299	(112)

The accounting policies and notes on pages 10-43 form an integral part of these financial statements.

PORTFOLIO OF THE CIVIL SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Prior Year		Current Year	Original Budget	Final Budget	Variance (Original vs Actual)
CI \$'000		CI \$'000	CI \$'000	CI \$'000	CI \$'000
	CASH FLOW FROM OPERATING ACTIVITIES				
	Cash received				
3,673	Sale of goods and services - third party	3,285	3,679	3,679	394
19,267	Sales to Cabinet	17,746	16,628	16,628	(1,118)
217	Other receipts	(252)	119	119	371
23,157	Total cash received	20,779	20,426	20,426	(353)
	Cash used				
(11,516)	Personnel costs	(12,775)	(14,460)	(14,460)	(1,685)
(3,611)	Supplies and consumables	(3,152)	(3,965)	(3,965)	(813)
(11)	Financing/interest expense	(10)	-	-	10
188	Other payments	(111)	(31)	(31)	80
(14,950)	Total cash used	(16,048)	(18,457)	(18,457)	(2,408)
8,207	Net cash flows from (used by) operating activities	4,731	1,969	1,969	(2,762)
	CASH FLOW FROM INVESTING ACTIVITIES				
	Cash received				
-	Proceeds from the sale of investments	2	-	-	(2)
-	Total cash received	2	-	-	(2)
	Cash used				
(419)	Purchase of property, plant and equipment	(667)	(253)	(563)	414
(419)	Total cash used	(667)	(253)	(563)	414
(419)	Net cash flow from (used by) investing activities	(665)	(253)	(563)	412
	CASH FLOW FROM FINANCING ACTIVITIES				
	Cash received				
607	Equity injections from Cabinet	526	253	563	(273)
607	Total cash received	526	253	563	(273)
	Cash used				
(11,120)	Repayment of surplus	-	-	-	-
(11,120)	Total cash used	-	-	-	-
(10,513)	Net cash flows from (used by) financing activities	526	253	563	(273)
(2,724)	Net increase/(decrease) in cash and cash equivalents held	4,592	1,969	1,969	(2,623)
6,902	Cash and cash equivalents at beginning of period	4,178	7,396	7,396	3,218
4,178	Cash and cash equivalents at the end of the period	8,770	9,365	9,365	595

The accounting policies and notes on pages 10-43 form an integral part of these financial statements.

**PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)**

Description and principal activities

The Portfolio of the Civil Service ("the Portfolio") is a government-owned entity as defined by section 2 of the *Public Management and Finance Act (2020 Revision)* ("PMFA") and it is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Deputy Governor as defined in the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ending 31 December 2023.

The Portfolio has reported the activities and trust monies that it administers on behalf of Cabinet.

Note 1: Significant Accounting Policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used

(a) Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars using the historical cost basis of accounting, except the revaluation method adopted for buildings. The figures used in the presentation has been rounded to the nearest thousand.

New and revised accounting standards issued and applicable

The Portfolio has adopted IPSAS 41: Financial Instruments as of the transition date of 1 January 2023, replacing IPSAS 29: Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions in IPSAS 41, comparative information for the 31 December 2022 period has not been restated. Adjustments arising from adopting IPSAS 41 are recognised in opening equity at 1 January 2023 (the date of initial application).

The accounting policies for the year ended 31 December 2023 have been updated to comply with IPSAS 41. The main changes to the Portfolio's accounting policies are:

- Trade and other receivables - This policy has been updated to reflect that the impairment of receivables are now determined by applying an expected credit loss model.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

- Financial instruments and risk management - The policy has been updated to reflect:
 - the new measurement classification categories; and
 - a new impairment model for financial assets based on expected credit losses, which is forward-looking and may result in earlier recognition of impairment losses.

IPSAS 41 also significantly amended the disclosures of financial instruments of IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to the financial instrument categories and to credit risk. The tables below outline the classification and carrying amounts of financial assets and liabilities under IPSAS 41 and IPSAS 29 on the date of initial application of IPSAS 41.

Measurement classification		
Financial assets	IPSAS 29	IPSAS 41
Cash and cash equivalents	Loans & Receivables	Amortised cost
Term Deposits	Loans & Receivables	Amortised cost
Trade and other receivables	Loans & Receivables	Amortised cost
Financial Liabilities	IPSAS 29	IPSAS 41
Accounts Payable	Amortised Cost	Amortised Cost

IPSAS 41 has had an immaterial impact on the Portfolio's measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised as amortised cost.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements. Covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. During the financial year, it was assessed that IPSAS 42, Social Benefits, doesn't have any significant impact on the Portfolio's financial statements.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2023 and not early adopted.

IPSAS 43, Leases was issued in January 2023 and shall be applied for financial statements covering periods beginning on or after 1 January 2025. Inter alia, IPSAS 43 requires lessees to measure and account for the right-of-use asset and the lease liability; exemptions apply to short-term leases that will continue to be accounted for in the same manner that operating leases are accounted for under IPSAS 13. It is anticipated that IPSAS 43 will not have a significant impact on the Portfolio's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations (effective for periods beginning on or after January 1, 2025,) specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. The impact will be assessed fully, closer to the effective date of adoption.

IPSAS 45, Property, Plant, And Equipment (effective for periods beginning on or after January 1, 2025) replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured. The impact will be assessed fully, closer to the effective date of adoption.

IPSAS 46, Measurement (effective for periods beginning on or after January 1, 2025) provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. The impact will be assessed fully, closer to the effective date of adoption.

IPSAS 47, Revenue (effective for periods beginning on or after January 1, 2026) replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions and is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. The impact will be assessed fully, closer to the effective date of adoption.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

IPSAS 48, Transfer Expenses (effective for periods beginning on or after January 1, 2026) provides accounting requirements for transfer expenses, and presents two accounting models based on the existence of a binding arrangement. It is anticipated that IPSAS 48 will not have an impact on the Portfolio's financial statements, but this will be assessed more fully closer to the effective date of adoption.

IPSAS 49, Retirement Benefit Plans (issued in November 2023 and effective for periods beginning on or after January 1, 2026) provides a principle-based approach to accounting for retirement benefit plans offering a completed view of their financial activities, assets, and obligations and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans. It is anticipated that IPSAS 49 will not have an impact on the Portfolio's financial statements.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, corresponding figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Segment reporting has been included in accordance with IPSAS 18.

(b) Reporting Period

The 2023 financial statements are being reported for a period of 12 months commencing 1 January 2023 and ending 31 December 2023 per Section 2 of the *Public Management and Finance Act (2020 Revision)*.

(c) Budget amounts

The original budget amounts for the 12-month financial period are as presented in the 2022-2023 Budget Statement and the amounts are rolled up into the Annual Plan and Estimates document which was presented to the Parliament. Any additional changes to the original budget are reflected in the final budget. As required by the PMFA, budgets are presented on the same basis as the annual financial statements.

The budget period is understood to be a two-year period; and in the case of these financials, extends from January 1, 2022 to December 31, 2023. It is understood that any appropriation remaining at the end of fiscal year 2022, can be carried forward to be used in the 2023 financial period. These appropriations will lapse at December 31, 2023. This is in accordance with the Public Management and Finance Act (2020 Revision) ("PMFA"); "an appropriation lapses at the end of budget period to which the law by which the appropriation is granted relates".

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(d) Judgments and Estimates

The preparation of financial statements, in conformity with International Public Sector Accounting Standards requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term, highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value. When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognised in the Statement of Financial Performance.

(f) Prepayments

The portion of recognised expenditure paid in advance of receiving goods and services is recognised as a prepayment.

(g) Property, Plant and Equipment and Intangible Assets

Buildings and structures

Property were revalued as at January 1, 2021 by in-house professionals with the exception of specialized buildings which were contracted to independent evaluators and is stated at revalued amounts less accumulated depreciation. Plant and equipment, is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the period in which the asset is acquired.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Assets under construction

Assets under construction or development are carried at cost, less any recognized impairment loss. Such assets are classified to the appropriate category of property, plant and equipment when completed and ready for intended use. The depreciation of these assets commences when the assets are ready for their intended uses

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment and Intangible Assets (continued)

Valuation methods

The property valuations have been prepared in accordance with the Standards and the guidance notes provided by the Royal Institute of Chartered Surveyors (RICS). Particular regard should be paid to the following definitions and methodology having been adopted in the assessment of value:

- Fair Value (Market Value) defined in accordance with IFRS 13 Fair Value Measurement as follows: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value (Existing Use Value) extends the definition of Fair Value (Market Value) in "assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its market value to differ from that needed to replace the remaining service potential at least cost."
- Specialized Assets: specialized assets are those for which no market exists for the current use. Specialized assets are valued using the Depreciated Replacement Cost method (DRC valuation). The definition of 'Depreciated Replacement Cost', as contained in the Standards, is as follows: "The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization."

Valuation assumptions

Plant and machinery have only been included in the valuation of building assets where these form an integral part of the fabric of the building (e.g. lifts or air conditioning equipment) or where they perform a task crucial to the continuation of the existing use (e.g. swimming pools). Unless specifically stated otherwise, it is assumed that such items are reflected in the unit building cost.

It is assumed that all properties have the required planning consents and certificates for use and construction. Where Fair Value (or land value in a DRC valuation) relies on obtaining an alternative planning consent the alternative use has been derived from consideration of prevailing land uses in the immediate area and Local Planning Policies and practice.

Where an asset has been valued by Depreciated Replacement Cost (DRC) it is subject to the prospect and viability of the asset continuing to be used for the existing use. These valuations do not take into account any form of selling or purchase costs, tax (including Stamp Duty), inflation or finance costs. In Cayman, there is no tax on property except for Stamp Duty which is ordinarily required to be paid by a purchaser.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment and Intangible Assets (continued)

Valuations of each 'specialized building' state their total asset value and the (depreciated) value of the respective building. Those with a depreciated building value greater than \$500,000 also state figures for their 'component' parts. Buildings valued by the investment or comparison methods of valuation also state figures for their respective land values. These do not compute to reflect actual building values but indicate the inherent value attributing to the land only.

Where applicable, the remaining economic life of the building and/or building components has been indicated. This is the period during which the building element is anticipated to have a future useful economic life for its existing purpose.

In preparing the valuations, information has been obtained from the following sources:

- Cayman Islands Government 2020 Asset Register.
- Cayman Islands Government Land Registry Database
- Cayman land Info System (Mapping, aerial photography, evidence of comparable sales and lettings).
- Copies of and extracts from leases.
- Architect scaled floor plans.
- Ministries and users / occupiers of operational property assets.

Land areas (where stated) are provided for guidance only and are quoted from the Land Registers or otherwise from Caymanlandinfo database. Any building floor areas supplied have been obtained from one of the following sources:

- Measurements taken on site.
- Measurements extracted from Cayman Islands Government property records.

Land and Buildings were revalued as entire classes of asset.

Depreciation

Depreciation is expensed on a straight-line basis over the estimated useful life stipulated below to allocate the cost or valuation of an item of property, plant and equipment (other than land); less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(g) Property, Plant and Equipment and Intangible Assets (continued)

<u><i>Asset Type</i></u>	<u><i>Estimated Useful life</i></u>
• Buildings and structures	10 – 60 years
• Building fit-out (when accounted for separately)	5 – 25 years
• Leasehold Improvement	Over the unexpired period of lease or the useful life of the improvement
• Computer Equipment	3 – 10 years
• Developed software	4 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Construction and other equipment	3 – 25 years
• Telecommunications	5 – 50 years
• Other equipment	5 - 20 years

Disposals

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the period are included in the Statement of Financial Performance.

(h) Inventory

Inventory held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at the lower of cost and net realizable value. Where inventories are acquired at no cost, or for nominal consideration, the amount reported is the current replacement cost at the date of acquisition. The amount reported for inventory held for distribution reflects management's estimates for obsolescence or other impairments. The inventory valuation method used is First In First Out (FIFO)

(i) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by the employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Portfolio are paid to the Public Service Pension Fund (the "Fund") and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% on basic salary, acting allowance or duty allowance are made to the fund by the Portfolio.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(i) Employee Benefits (continued)

Prior to 1 January 2000 the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by the employees. Obligations for defined benefit retirement plans are centralized in the government and therefore, reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

(j) Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognised as a liability (unearned revenue). Trade and Other receivables represent revenue earned but not yet received at the end of the reporting period.

The Portfolio derives its revenue through the provision of services to Cabinet, to other agencies in Government and to third parties. Revenue is recognised at fair value of services provided.

(k) Expenses

Expenses are recognised in the accounting period in which they are incurred. Trade Payables, accruals and other liabilities represent expenses incurred but not yet paid at the year end.

(l) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as expenses on a straight-line basis over the lease term.

(m) Financial Instruments

The Portfolio is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognised in the Statement of Financial Position. Financial assets and financial liabilities are recognised in the Portfolio's statement of financial position when the Portfolio becomes a party to the contractual provisions of the instrument.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(m) Financial Instruments (continued)

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents, short term deposits and receivables. A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of trade payables, accruals and other liabilities and surplus payable.

Recognition

Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

Measurement

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. The Portfolio assessed the business model for holding financial assets at the date of initial application. It determined that all of these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost.

Cash and cash equivalents, trade receivables and payables are recorded at amortized cost using the effective interest method less any impairment.

De-recognition

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Portfolio has transferred substantially all risks and rewards of ownership. A financial liability is de-recognized when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 1: Significant Accounting Policies (continued)

(n) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

(o) Foreign Currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the Statement of Financial Performance.

At the end of the reporting period the following exchange rates are to be used to translate foreign currency balances:-

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at period-end date;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

(p) Corresponding Figures

Corresponding figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(q) Revenue from Non-Exchange Transactions

The Portfolio receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include accommodation in the central government building, computer repairs and software maintenance by the computer services department. The Portfolio has designated these non-exchange transactions as Services in-Kind as defined under *IPSAS 23- Revenue from non-exchange Transactions*. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognized in the cost of the fixed asset.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of Portfolio maintained at Royal Bank of Canada. Cash and cash equivalents at 31 December 2023 are subject to the expected credit loss requirements of IPSAS 41 but no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks. As at 31 December 2023, the Portfolio unrestricted cash balances were as presented below. No restricted cash balances were held by the Portfolio at 31 December 2023.

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
6	Cash on hand /Petty Cash	5	2	2	(3)
4,000	Operational Current Account - KYD	8,673	8,969	8,969	296
3	Cash in Transit	3	31	31	28
26	Payroll Current Account	(4)	40	40	44
143	Operational Current Account - USD	93	324	324	231
4,178	Cash and cash equivalents (excluding bank overdrafts)	8,770	9,365	9,365	595
-	less Overdrafts	-	-	-	-
4,178	Cash and cash equivalents	8,770	9,365	9,365	595

Note 3: Trade receivables and other receivables

Trade receivables and other receivables are amounts due from customers for items sold or services performed in the ordinary course of business.

The simplified approach to providing for expected credit losses, as prescribed by IPSAS 41, is applied to trade and other receivables. The simplified approach involves making a provision equal to lifetime expected credit losses.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 3: Trade receivables and other receivables (continued)

Prior Year Actual CI\$'000	Trade Receivables	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
192	Sale of Good and Services	278	146	146	(133)
1,536	Outputs to Cabinet	660	4,677	4,677	4,017
22	Outputs to other government agencies	22	33	33	11
1,750	Total Trade receivables	960	4,856	4,856	3,896
(53)	Less: expected credit losses	(170)	-	-	170
1,697	Net Trade receivables	790	4,856	4,856	4,066

Prior Year Actual CI\$'000	Other Receivables	Current Year Actual CI\$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
18	Advances	148	13	13	(135)
3	Dishonoured cheques	3	2	2	(1)
374	Other	71	115	115	44
395	Total Other Receivables	221	129	129	(92)
-	Less: expected credit losses	-	-	-	-
395	Net Total Other Receivables	221	129	129	(92)

Prior Year Actual CI\$'000	Maturity Profile	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
	Current				
1,609	Past due 1-30 days	1,011	4,637	4,637	3,626
6	Past due 31-60 days	-	-	-	-
24	Past due 61-90 days	17	-	-	(17)
58	Past due 90 and above	22	121	121	100
	Non-Current				
-	Past due 1 year and above	131	97	97	(34)
1,697	Total Trade and Other Receivables	1,181	4,856	4,856	3,674

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 3: Trade receivables and other receivables (continued)

The Portfolio performed an individually specific Expected Credit Loss (ECL) assessment on any related party debtors with qualitative or quantitative factors indicating doubts around collectability. Given the low risk of default on the outputs receivable and due from the Portfolio's Executive, the impact of the expected credit losses on these have been estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating, absence of historical losses on amounts due. The Portfolio believes that the amounts outstanding on these related party receivables are recoverable.

In measuring ECLs for receivables due from other Cayman Islands Government entities and third-party receivables, the estimated loss allowance for individually significant or other specific trade and other receivable balances were determined on an individual basis. Thereafter, the remaining other trade receivables have been assessed on a collective basis as they possess a shared credit risk characteristic. The expected credit loss rate(s) for these receivables are based on the Portfolio's historical credit loss over the prior two years. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Portfolio's customers. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

The Portfolio computed an expected credit loss rate of 7.25% which was applied to the gross carrying amount of the trade and other receivables outstanding for less than 90 days for the year ended 31 December 2023. The Portfolio's policy is to recognise ECL of 100% for receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable. Receivables are written off and or fully provided for when there is no reasonable expectation of recovery.

The movement in the allowance for credit losses is as follows:

Description	2022	2023
	CI \$'000	CI \$'000
Allowance for credit losses as at 1 January	-	53
Revision in loss allowance made during the year	53	117
Receivables written off during the year	-	-
Balance at 31 December	53	170

At the end of the year, all overdue receivables have been assessed accordingly. The trade and other receivables that are more than 90 days past due are amounts due from other government agencies. As at 31 December 2023 expected credit losses resulting from balances less than 90 days past due amounts to \$17K (2022: \$0); and for balances over 90 days past due amounts to \$153K (2022: \$53K).

In accordance with IPSAS 41; the Cayman Islands Government calculates the provision for impairment by assessing expected credit losses, taking into account historical credit loss data, prevailing economic circumstances, and a rational and substantiated forecast of forthcoming developments. This provision undergoes regular review at each reporting date and is modified to mirror alterations in credit risk.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 3: Trade receivables and other receivables (continued)

There have been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

Note 4: Inventories

Prior Year Actual CI\$'000	Description	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
8	Raw Materials (including consumable stores)	11	-	-	(11)
33	Inventory held for use in the provision of goods and services	32	37	37	5
41	Total Inventories	43	37	37	(6)

Note 5: Prepayments

Prior Year Actual CI\$'000	Description	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
305	Other Prepayments	148	37	37	(110)
305	Total Prepayments	148	37	37	(110)

Other departments entered into contracts for subscriptions such as LinkedIn Learning; Smartsheets. Also included are deposits for lease costs for several departments.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 6: Property, plant and equipment

<i>Cost or Valuation</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total Property Plant and Equipment</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance</i>
Balance as at 1 January 2022	475	493	374	463	460	222	22	234	-	2,743	2,746	2,746	3
Additions	25	12	18	35	10	75	-	-	-	176	434	434	259
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	484	505	391	484	465	297	22	234	-	2,881	3,180	3,180	298
<i>Cost or Valuation</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infrastructure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance</i>
Balance as at 1 January 2023	484	505	391	484	465	297	22	234	-	2,881	3,180	3,180	298
Additions	6	118	11	40	29	-	-	163	-	367	146	146	(221)
Disposal/ Derecognition	(11)	-	(78)	(91)	(12)	(32)	-	(73)	-	(297)	-	-	297
Adjustments	-	-	-	3	1	32	-	-	-	36	-	-	(36)
Transfers	-	-	-	11	(11)	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	478	623	324	447	473	297	22	324	-	2,987	3,326	3,326	338

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 6: Property, plant and equipment (continued)

<i>Accumulated Depreciation and impairment losses</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infra-structure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance</i>
Balance as at 1 January 2022	463	23	248	360	408	192	22	206	-	1,923	1,971	1,971	48
Depreciation Expense	4	32	20	68	22	13	-	15	-	174	241	241	68
Balance as at 31 December 2022	450	55	267	413	425	205	22	221	-	2,059	2,212	2,212	153
<i>Accumulated Depreciation and impairment losses</i>	<i>Plant and equipment</i>	<i>Buildings</i>	<i>Furniture and Other Equipment</i>	<i>Computer Hardware</i>	<i>Office Equipment</i>	<i>Leasehold Improvements</i>	<i>Infra-structure</i>	<i>Motor Vehicles</i>	<i>Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance</i>
Balance as at 1 January 2023	450	55	267	413	425	205	22	221	-	2,059	2,212	2,212	154
Eliminate on Disposal/Derecognition	(11)	-	(21)	(90)	(12)	(6)	-	(73)	-	(214)	-	-	214
Depreciation Expense	5	38	20	47	22	16	-	28	-	176	265	265	89
Adjustments	-	(6)	-	2	1	3	-	-	-	-	-	-	-
Balance as at 31 December 2023	444	88	265	372	436	217	22	177	-	2,021	2,477	2,477	456
Net Book value 31 December 2022	34	450	124	72	41	92	0	12	-	823	968	968	144
Net Book value 31 December 2023	34	535	58	75	37	80	0	148	-	967	849	849	(118)

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 6b: Intangible Assets

<i>Cost of Intangible Assets</i>	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance</i>
Balance as at 1 January 2022	297	325	622	673	673	51
Additions	20	243	263	300	300	37
Adjustments	-	(20)	(20)	-	-	20
Balance as at 31 December 2022	317	548	865	973	973	108
<i>Cost of Intangible Assets</i>	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance</i>
Balance as at 1 January 2023	317	548	865	973	973	108
Additions	-	350	350	107	417	(243)
Disposal/ Derecognition	(6)	-	(6)	-	-	6
Adjustments	-	(13)	(13)	-	-	13
Balance as at 31 December 2023	311	885	1,196	1,080	1,390	(117)
<i>Accumulated Amortization and impairment losses</i>	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance</i>
Balance as at 1 January 2022	118	-	118	137	137	19
Amortization Expense	34	-	34	121	121	86
Balance as at 31 December 2022	151	-	151	257	257	106
<i>Accumulated Amortization and impairment losses</i>	<i>Computer Software</i>	<i>Intangible Assets under construction or development</i>	<i>Total</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance</i>
Balance as at 1 January 2023	151	-	151	257	257	106
Eliminate on Disposal/Derecognition	(6)	-	(6)	-	-	6
Amortization Expense	34	-	34	183	183	149
Balance as at 31 December 2023	180	-	180	440	440	261
Net Book value 31 December 2022	165	548	714	716	716	2
Net Book value 31 December 2023	131	885	1,016	639	949	(377)

The Portfolio has purchased a new software for an HR Management System that is currently under development. It is scheduled to be completed by the end of 2025 but is still currently ongoing.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 7: Trade payables, accruals and other liabilities

Prior Year Actual CI\$'000	Description	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
32	Trade Payables	5	41	41	37
32	Trade Payables	5	41	41	37
854	Accruals and Other Liabilities	794	662	662	(133)
94	Payroll Deductions	96	1	1	(95)
394	Accruals	348	605	605	257
104	Core government trade with other public entities	146	-	-	(146)
265	Other	203	55	55	(148)
886	Total Trade Payables, Accruals and Other Liabilities	799	703	703	(96)

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. Other Payables mainly comprise of funds approved from the Major Governance Committee to fund for courses for professional certifications implemented by the Strategic Reform Initiative Unit with the Deputy Governor's Office. Also included was net funds collected for the annual 2023 DG5K event that was subsequently paid over to received charities in February 2024.

Note 8: Unearned Revenue

Prior Year Actual CI\$'000	Description	Current Year CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
417	Unearned Revenue	439	220	220	(219)
417	Total unearned revenue	439	220	220	(219)

The Deputy Governor's office collects fees for Naturalization and British Overseas Territories Citizenship Applications that are not recognized as revenue until the application is approved.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 9: Employee entitlements

Prior Year Actual CI\$'000	Details	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
	<i>Employee entitlements are represented by:</i>				
316	Annual leave	269	321	321	52
-	Pension	-	114	114	114
62	Comp Time Liability	26	-	-	(26)
378	Total employee entitlements	295	435	435	140

The annual leave entitlements and comp time liability are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 10: Surplus Payable

The Portfolio budgeted to break even and therefore did not budget for any change in the surplus payable. The Portfolio made a surplus of \$3.4M in 2023 (2022: \$3.8M) and has an accumulated surplus of \$7.3M (2022: \$3.8M). The Portfolio has now paid over the 2022 surplus in February 2024. It intends to engage the Ministry of Finance to repay the 2023 surplus after the end of the audit cycle.

Note 11: Sale of Goods and Services

Prior Year Actual CI\$'000	Description	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
3,678	Fees and charges	3,449	3,674	3,674	225
8	General sales	9	5	5	(4)
14,962	Outputs to Cabinet	16,137	16,628	16,318	491
218	Outputs to Other Government Agencies	263	119	119	(144)
18,866	Total Sale of Goods & Services	19,858	20,426	20,116	567

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 11: Sale of Goods and Services (continued)

Outputs to Cabinet comprises goods delivered to and services performed on behalf of the Cayman Islands Government.

Fees & charges and General sales includes administrative fees and user charges levied on the public for the delivery of Government services from Passport Office such as Authentication and Apostille Fees; Passport Fees and Special Marriage Licenses. It also includes Naturalisation and Registration Fees from the Office of the Deputy Governor. Certain respective rates and fee structures are gazetted and governed by the relevant revenue Laws and Regulations.

Outputs to Other Government Agencies includes trade between the Portfolio of the Civil Service and Government bodies. These are arm length transactions governed by Service Level Agreements (SLAs) between the contracting parties.

Note 12: Personnel costs

Prior Year Actual CI\$'000	Description	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
9,132	Salaries, wages and allowances	10,222	11,465	11,465	1,243
1,692	Health care	1,993	2,317	2,317	325
458	Pension	519	605	605	86
67	Leave	(82)	9	9	91
75	Other Personnel related costs	152	64	64	(88)
11,424	Total Personnel Cost	12,803	14,460	14,460	1,657

Severance benefits amounting to \$128k were paid to former employees.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 13: Supplies and consumables

Prior Year Actual CI\$'000	Description	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
303	Supplies and Materials	363	362	362	(1)
1,756	Purchase of services	1,441	2,105	1,795	664
314	Utilities	348	331	331	(17)
-	General Insurance	-	2	2	2
28	Travel and Subsistence	96	138	138	42
199	Recruitment & Training	232	330	330	98
76	Interdepartmental expenses	77	65	65	(12)
58	Other	123	2	2	(121)
2,734	Total Supplies & Consumables	2,680	3,335	3,025	654

Note 14: Leases

Prior Year Actual CI\$'000	Type of Lease	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
590	Lease and Rent of Property and Sites	645	630	630	(15)
590		645	630	630	(15)

Note 15: Litigation Costs

Prior Year Actual CI\$'000	Description	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
44	Legal Fees	38	31	31	(7)
44		38	31	31	(7)

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
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Note 16: Other Gains/(Losses)

Prior Year Actual CI\$'000	Description	Current Year Actual CI \$'000	Original Budget CI\$'000	Final Budget CI\$'000	Variance CI\$'000
(21)	Gains/ (Loss) on Foreign Exchange Transactions	(47)	-	-	47
-	Gains/(Loss) on Sale of Assets	(11)	-	-	11
(21)		(58)	-	-	58

Note 17: Revenue from Non- Exchange Transactions

During the year ended 31 December 2023, the Portfolio received services in-kind in the form of accommodation in the central Government building, computer repairs and software maintenance by the Computer Services Department. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

Note 18: Reconciliation of net cash flows from operating activities to surplus

Prior Year Actual CI \$'000	Reconciliation of Surplus to Net Operating Cash	Current Year Actual CI \$'000	Original Budget CI \$'000	Final Budget CI \$'000	Variance CI \$'000
3,847	Surplus/(deficit) from ordinary activities	3,424	1,521	1,521	(1,903)
6	Prior Period Adjustment	44	-	-	(44)
	Non-cash movements				
206	Depreciation	210	448	448	238
21	(Gain)/losses on revaluation/disposal of property plant and equipment	-	-	-	-
-	(Gain)/losses on Foreign Exchange	47	-	-	(47)
-	(Gain)/losses on derognition of Assets	11	-	-	(11)
(53)	Increase in provision for bad debt	(117)	-	-	117
	Changes in current assets and liabilities:				
4,233	(Increase)/decrease in receivable	1,104	-	-	(1,104)
2	(Increase)/decrease in inventories	(1)	-	-	1
(226)	(Increase)/decrease in prepayments	157	-	-	(157)
-	(Increase)/decrease in biological assets	-	-	-	-
254	Increase/(decrease) in payables and other	(88)	-	-	88
(148)	Increase/(decrease) in other current liabilities	22	-	-	(22)
65	Increase/(decrease) in provisions relating to	(82)	-	-	82
8,207	Net cash flows from operating activities	4,731	1,969	1,969	(2,762)

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PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 19: Related party and key management personnel disclosures

Related party

The Portfolio is a wholly owned entity of the Government of the Cayman Islands from which it derives a major source of its revenue. The Portfolio and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 31 December 2023 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel, are also considered to be related parties. No loans were granted to key management personnel or their close relatives during the financial year.

Prior Year Actual CI\$'000	Description	Current Year Actual CI\$'000
2,530	Salaries & other short term employee benefits	3,057
-	Severance Pay	48
2,530	Total Remuneration	3,105
18	Number of Key Management Personnel	20

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
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Note 20: Explanation of major variances against budget

Original Budget compared to Final Budget

Financial Statements Captions	Notes	2023 Original Budget	2023 Supplementary Budget	2023 Final Budget
		\$'000	\$'000	\$'000
Statement of Financial Position				
Intangible Asset	6b	639	310	949
Total Non-Current Assets		1,585	310	1,895
Total Assets		15,912	310	16,222
Net Assets		2,989	310	3,299
Contributed Capital		4,089	310	4,399
Total net assets/equity		2,989	310	3,299
Statement of Financial Performance				
Sale of Good & Services	11	20,426	(310)	20,116
Total Revenue	11	20,426	(310)	20,116
Supplies and consumables	13	3,335	(310)	3,025
Total Expenses		18,905	(310)	18,595

There were changes between the original and final budget of \$310K, which were the Supplementary Appropriations approved in 2023. The changes were approved by Cabinet under Section 11(5) of the Public Management and Finance Act (2020 Revision). The Supplementary Appropriation Bill was not introduced in Parliament by 31 March 2024 as required by Section 11(6)(b) of the Act.

Explanations for major variances for the Portfolio of the Civil Service performance against the original budget are as follows:

Sale of Goods & Services

Total Revenues were \$567K (3%) below budget. The major contributor is the Cabinet Billings which came in \$491K under budget. Outputs to Cabinet are the primary revenue source for the Portfolio making up 81% of the budget. The Portfolio performed well against budget targets with 97% billed out by end of the year. Most departments, with the exception of four (4), have met or exceeded their budget targets and was able to bill out their cabinet allocation. Contributing factors includes staff members going on secondments to other departments; or diverted to new projects and/or initiatives that reduced the department's ability to meet, and therefore bill for all of its original budget targets.

The Passport Office is not funded by Cabinet and ended the year with significant profit. Still it trailed behind third party revenue targets for Authentication/Apostille of documents by \$487K (19%) and Passport Fees by \$17K (2%). This was mainly due to limited staffing resources to keep up with the demand.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 20: Explanation of major variances against budget (continued)

However, the reductions were offset by third party revenues from the Deputy Governor's Office collects for Naturalization and Registration Fees surpassed budget expectation by \$274K (60%). This is aided by their online application process that also allowed for receiving credit card transactions as well as their continued partnership with the Post Offices as collection agents. In addition, Internal Audit Service completed engagements with additional Statutory Authorities earning \$135K over its budgeted Interagency Revenues.

Personnel Costs

Personnel Costs were \$1.7M below budget. These savings were largely driven by \$1.2M savings in Salaries, Wages and Allowances. This followed into savings in Health Care of \$325K and \$86K savings in Pension. This was mainly due to delays in the recruitment timelines and posts remained vacant longer than budgeted.

Supplies and Consumables

Supplies and Consumables were under budget by \$655K. This stems from limited staffing resources, from unfilled vacancies and various secondments to other departments that delayed a number of projects moving for as planned reducing overall spend.

Depreciation and Amortization

Depreciation is under budget by \$239K. This is mainly from the Human Resources Management System (HRMS) "my-Vista" still being in the Work-In-progress – Intangibles account and not accruing depreciation as yet.

Cash and cash equivalents

The year-end cash balance was net \$595K below budget. This is only a 6% variance against budget. There were material variances in various categories of the cash flow. However, the primary reason was in the "Cash Flow from Finance Activities." There was a budget of \$253K and over \$667K was spent. This was due to the Portfolio receiving approval for supplementary funding to fund additional costs related to the HRMS system during 2023.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
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Note 20: Explanation of major variances against budget (continued)

Trade Receivable and Other Receivables

Trade and Other Receivables was \$4M lower than budget. There was a concerted effort in collections that significantly reduced outstanding collecting and enforced stricter collection practices on the current year invoices, especially as it relates to the Portfolio's Cabinet Revenue invoices that was \$4M under budget.

Prepayments

Prepayments were over budget by \$110K as several departments entered into subscription contracts such as LinkedIn Learning; Smartsheets. Also included are deposits for departments with leasehold properties.

Property, Plant and Equipment

Property, Plant and Equipment came in over budget \$118K. This is mainly due to assets paid for in the prior year, however possession was not taken until 2023 and then capitalized.

Intangible Assets

Intangible Assets came in budget over budget \$377K. This is mainly due to the software for the HRMS system incurring increased expenditure during the 2023 fiscal year that was originally planned for the previous year.

Accruals and Other Liabilities

Accruals and Other Liabilities were \$96K above budget expectations. Payroll deductions contributed to \$95K of this balance as it is customary to pay over Pension Deductions in the subsequent month. As well, Other Payables was \$148K over budget. There was no budget for "Payables to core government" in which \$146K payables was incurred mainly funds to be transferred POCS Executive Org. These were netted by the "business as usual" accruals that came in \$257K under budget due to continued efforts to ensure invoices are settled timely with our vendors.

Unearned Revenue

Unearned revenues were \$219K greater than the amount budgeted. This is from the Deputy Governor's office Naturalization and British Overseas Territory applications increase in demand and increase in options for customers to now complete and submit their applications online and to also pay via credit card transaction that was not previously available. As well, customers have more access to payment locations as the office has partnered with the various district post offices for application fees to be paid at more convenient locations. Application and fees are being submitted with more ease and frequency.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Employee Entitlements

Employee Entitlements were under budget by \$139K as departments increase efforts to reduce the liability owed to staff and decrease carry-forward amounts.

Repayment of Surplus/Surplus Payable

Surplus payable was \$4.2M under budget expectations. The departments under the Portfolio normally prepare their budget on a breakeven basis each year. This has been the case historically, with an exception of the Passport Office that is fully funded by third party revenues and have a budgeted surplus. The Portfolio generated \$11.1M in accumulated surpluses in prior years to 2022. This was paid to the Ministry of Finance during the 2022 fiscal year. It generated \$3.8M in the 2022 fiscal year that combined with \$3.4M in from the current fiscal year. The 2022 surplus has been repaid in February 2024.

Cash from operating activities

Variance explanations are included under the “Cash and Cash Equivalents” section above.

Cash from investing activities

The actual cash used for the purchase of property, plant and equipment was \$414K over budget. This was primarily due to increased expenditure for the software purchase for the HRMS system (My-Vista) supplementary funding was approved during the year for the increased spend.

Cash from financing activities

“Cash Flow from Finance Activities” was \$273K over budget. The Portfolio only draws down on what is needed to fund actual capital purchases during the year. The Portfolio collected the 2022 Equity injection during the 2023 Fiscal Year. However, it did not drawdown on the 2023 funding until after the year ended.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 21: Financial instrument risks

The Portfolio is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, advances, accounts receivable, debtor-Cabinet and creditors and other payables. The Portfolio seeks to minimise exposure from financial instruments and does not enter into speculative financial instrument transactions. The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Credit risk

Credit risk is the risk that the counter party to a transaction with the Portfolio will fail to discharge its obligations, causing the Portfolio to incur a financial loss. The Portfolio is exposed to credit risk through the normal trade credit cycle and advances to third parties.

Financial assets that potentially subject the Portfolio to credit risk consist of Cash and Cash Equivalents, term deposits, trade receivables, and other receivables.

The Portfolio manages its credit risk by limiting the counter parties it transacts business with to counterparties it believes to be capable of performing their contractual obligations. Generally, the Portfolio does not require collateral. Ongoing credit risk is managed through review of ageing analysis, together with credit limits per customer.

Maximum exposures to credit risk as at year end are the carrying value of financial assets in the statement of financial position.

Expected credit losses (ECL)

ECLs are calculated on a lifetime basis for Trade Receivables. Please see trade receivables note for more information on credit risk disclosures for ECL on Trade Receivables.

Concentrations of credit risk

The Portfolio does not have any significant credit risk exposure. The credit risk on cash and cash equivalents and short-term investments is limited. The Portfolio's main bank is Royal Bank of the Caribbean (RBC) which has a S&P Global Ratings of AA-.

Currency and interest rate risk

The Portfolio has no significant exposure to currency exchange loss risk and interest rate risk.

Liquidity risk

In meeting its liquidity requirements, the Portfolio closely monitors its forecast cash requirements with expected cash drawdowns from Cabinet and receipts from third parties. The Portfolio maintains a target level of available cash to meet liquidity requirements.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 22: Commitments

Type	One Year or Less CI\$000	One to Five Years CI\$000	Over Five Years CI\$000	31 December 2023 CI\$000
Capital Commitments				
Software: Human Resources Management System	40	-	-	40
Total Capital Commitment	40	-	-	40
Operating Commitments				
Non-Cancellable Accommodation Leases				
Accommodation leases (6)	614	1,245	-	1,859
Other Non-Cancellable Leases				
Gardening Services	5	-	-	5
Air-Conditioning Maintenance	2	-	-	2
Consultancy Services	9	-	-	9
Training Services	7	-	-	7
Terminal Subscription	2	-	-	2
Total Operating Commitment	639	1,245	-	1,885
Total Commitment	680	1,245	-	1,925

Note 23: Segment reporting

Policy Advice and Support for the Governor and the Deputy Governor

- Includes services provided by the Governor's Office, the Deputy Governor's Office and the PoCS.

Operational Human Resource Services

- Technical and administrative support to the Head of Civil Service (and where relevant the Governor) in relation to the Chief Officer. Human Resources services for the Ministries and Portfolio as required including recruitment, job analysis and the preparation of job descriptions, records management, succession planning and advice on specific HR matters.

H.E. Governor's Office

- The office is responsible for servicing and supporting Her Excellency the Governor including managing the Government House; coordinating engagement programmes and providing support including administrative and accommodations, for the Foreign and Commonwealth Office (FCO) staff in the Governor's Office.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Note 23: Segment reporting (continued)

Deputy Governor's Office

- The office is responsible for servicing and supporting the Deputy Governor including the provision of policy advice on public administration, naturalization and other matters.

Strategic Human Resource Services

- Policy advice and support relating to service-wide, human resource policies and practices for the civil service and the personnel functions of the Governor and the Head of the Civil Service.

Management Support of Civil Service Agencies

- Provision of free internal consultancy support to Government Agencies to enhance and improve performance in their strategic, financial or HR management functions.

Public Sector Reform

- Monitor and support the effective implementation of the 5 Year Strategic Plan, Project Future and other public sector management reform initiatives.

Office of Educational Standards

- Complete inspections and monitor performance of all educational institutions in accordance with the law and directives from the Minister of Education and the Educational council.

Passport Office

- Approves and issues British Overseas Territories Citizen Cayman Islands passports, issues US visa Waivers, and provides a range of corporate services including the legalisation of public documents.

Elections Office

The office maintains the electoral register involving addition of eligible voters and deletion of deceased or ineligible voters. Also, it is responsible for administering and holding general elections as well as the planning and execution of referendums.

Commission Secretariat

Provision of research, analytical, operational, policy, strategic and administrative support services to the Human Rights Commission, the Constitutional Commission, the Commission for Standards in Public Life, the Judicial and Legal Services Commission, the Civil Service Appeals Commission and the Anti-Corruption Commission.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
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Note 23: Segment reporting (continued)

Internal Audit Services

- Evaluation of management systems in order to determine whether financial and operating information is accurate and reliable; risks to government agencies are being identified and minimized; regulations, policies and procedures are followed; assets are adequately safeguarded; resources are used efficiently and economically; agencies are operating efficiently and effectively.
- Audits of Civil Service entity HR systems, to establish the extent of compliance with the Public Service Management Act; Personnel Regulations and relevant legislative requirements.

Cayman National Archives

- Identification and acquisition of archives and historical records and access to archives and Historical information of various media through the Reading Room service. Preservation and recovery of historical archives and government records.
- Monitor and evaluate records and information management gaps within the public service and develop practical recordkeeping tools for improvement.
- Policy development, advice and guidance on records and information management to promote efficient administration, ease of access to information, accountability and transparency.
- Promotion of the historical and cultural holdings through outreach programmes.

Civil Service College

Learning and Development Opportunities within the Civil Service

- Identification of priorities for human capital development within the civil service.
- Implementation of learning and development interventions to meet the identified needs.
- Strategic development and management of a Civil Service College, to provide learning and development opportunities for all civil servants.

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
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Note 23: Segment reporting (continued)

	Policy Advice and Support for the Governor & Deputy Governor		Elections Office		Commissions Secretariat		Internal Audit		Cayman National Archives		Civil Service College		GRAND TOTAL	
	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual
Total Revenue	12,558	13,018	519	555	1,728	1,849	1,668	1,719	1,298	1,578	1,094	1,140	18,866	19,858
Outputs to Cabinet	8,879	9,564	519	555	1,728	1,843	1,451	1,467	1,291	1,569	1,094	1,139	14,962	16,137
Sale of Goods and Services	3,679	3,454	1	0	-	6	217	252	7	9	-	1	3,904	3,721
Total Gain/(Losses) on Financial and Non-Financial Instruments	20	51	-	-	-	1	-	2	-	-	-	3	20	58
Gain/Losses on financial instruments	-	43	-	-	-	1	-	-	-	-	-	3	-	47
Gain/Losses on non-financial instruments	20	8	-	-	-	-	-	3	-	-	-	-	20	11
Total Expenses	9,356	10,352	564	651	1,659	1,596	1,358	1,664	959	985	1,103	1,128	14,999	16,378
Personnel Costs	7,356	8,391	244	277	1,271	1,137	1,180	1,478	791	807	581	712	11,424	12,803
Supplies and Consumables	1,921	1,867	305	365	346	418	162	173	120	130	515	413	3,369	3,364
Depreciation	80	94	15	9	41	41	16	13	47	48	7	4	206	210
Surplus/(Deficit)	3,181	2,614	(45)	(96)	69	253	310	52	339	592	(9)	9	3,846	3,424
Total Assets	7,395	11,183	11	11	40	36	96	168	536	477	75	80	8,154	11,954
Current Assets	6,333	9,669	11	11	40	36	96	168	4	7	75	80	6,558	9,971
Non-current Assets	1,063	1,514	-	-	-	-	-	-	532	470	-	-	1,595	1,983
Total Liabilities	5,270	8,638	31	18	100	94	64	36	27	29	41	37	5,534	8,853
Capital Purchases	264	457	-	-	110	15	2	44	63	22	-	2	439	540
Entity Assets	264	457	-	-	110	15	2	44	63	22	-	2	439	540

PORTFOLIO OF THE CIVIL SERVICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 December 2023
(Expressed in Cayman Islands Dollars)

Note 24: Financial Instruments – Fair Values

As at 31 December 2023, the forecasted carrying value of cash and cash equivalents, trade and other receivable, trade and other payable and employee entitlements approximate their fair values due to their relative short-term maturities. Fair values estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Note 25: Contingent Liabilities

As at 31 December 2023, there are no quantifiable and non-quantifiable contingent liabilities and therefore no contingent liabilities have been provided for within these financial statements.

Note 26: Events Occurring After Reporting Date

Management is not aware of any other occurrences subsequent to the reporting date which will have an impact on the financial statements at 31 December 2023.